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JUN 16 1981

GAO/HRD-81-46

BY THE COMPTROLLER GENERAL

Report To The Honorable Daniel P. Moynihan
United States Senate

COMPLETED

OF THE UNITED STATES

Income Maintenance Experiments: Need To Summarize Results And Communicate The Lessons Learned

The Office of Economic Opportunity and the Department of Health and Human Services initiated income maintenance experiments, the first ever in the United States, to measure the extent to which a guaranteed income would reduce recipients' work efforts. GAO believes the experiments were important social research, but identified several problem areas which may have affected the usefulness of the results.

The results and many important technical and operational planning and monitoring lessons learned have yet to be consolidated and summarized for the benefit of future researchers.

GAO believes the Congress, in authorizing similar research, should require agencies to identify end-users and plan for the dissemination of interim and final results.

UNITED STATES GENERAL ACCOUNTING OFFICE

HRD-81-46
APRIL 17, 1981

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-202585

The Honorable Daniel P. Moynihan
United States Senate

Dear Senator Moynihan:

In accordance with your May 15, 1979, request, we have reviewed various aspects of the four Office of Economic Opportunity (OEO) [1] and Department of Health and Human Services (HHS) [2] income maintenance experiments. These social research projects were entitled "New Jersey Graduated Work-Incentive Experiment" (1968-1972); "Rural (North Carolina, Iowa) Income Maintenance Experiment" (1969-1973); "Gary (Indiana) Income Maintenance Experiment" (1971-1974); and "Seattle-Denver Income Maintenance Experiment" (1971-1978). (See app. II for details of experiments.)

As agreed with your office, we focused our study on seven areas which--despite 14 years since experiment origination--have remained areas of apparent confusion and concern. The areas are:

--Need for the experiments.

--General design adequacy.

--Planning, management, and results dissemination.

--Timeliness and completeness in disclosing family dissolution results.

--Soundness of major results.

--Influence on policy and existing programs.

--Need for further experimentation.

1/Established in 1964 to coordinate national antipoverty efforts and terminated in 1975--in 1973, experiment responsibilities were transferred to the Department of Health, Education, and Welfare.

2/Formerly the Department of Health, Education, and Welfare.

We reviewed the voluminous available literature and interviewed former and current OEO and HHS officials and over 30 economists and sociologists directly knowledgeable about the experiments and the use of their results (see app. V). We did not review the specific experiment methodologies, the technical validity of each finding, or all possible experiment aspects and ramifications.

Our findings, conclusions, and recommendations are summarized below and discussed in more detail in appendix I.

BACKGROUND

In 1965, OEO proposed that President Johnson adopt its $4.7 billion universal guaranteed income plan as his national antipoverty program's centerpiece. OEO's plan would have replaced several welfare programs with one providing most low-income citizens a fixed level of benefits. Benefits would have (1) gradually decreased as an individual's earnings increased and (2) ended if earnings reached some predetermined point. The plan was not adopted.

To overcome the expressed fears of congressional opponents and others that many able-bodied persons would quit, reduce, or not work in order to take full advantage of the program, OEO decided to experiment. In June 1966, OEO began planning the New Jersey experiment, convinced that its welfare reform plan would be enacted if empirical data showed that the plan would not result in the feared work reductions. After the New Jersey experiment was underway, in an attempt to increase geographic and demographic representation, OEO initiated the Rural experiment and HHS undertook the Gary and Seattle-Denver experiments.

What is a social experiment?

A social experiment is an evaluation--under controlled conditions--of the effects of policies or program alternatives on the behavior of sampled groups of families and individuals. Generally, experiments use what is referred to as an "experimental (or treatment) group"--composed of randomly selected families who participate in the test program--and a "control group"--composed of similar families who do not participate in the test program. Behavioral differences between the groups are then analyzed and, as appropriate, attributed to the test program.

Experiment costs, conditions, and contractors

From 1968 to September 30, 1980, the four experiments cost about $110 million--$30 million in benefit payments and the rest in administrative, data collection, and research costs. Over 4,900 of the 8,750 participating families had guaranteed incomes and were not (1) required to work or (2) given special job opportunities. For those who worked, the income guarantee was reduced by some percentage of their earnings.

Several different contractors actually conducted the experiments. They included the Institute for Research on Poverty, University of Wisconsin; Mathematica Policy Research, Inc.; Stanford Research Institute (SRI), International; the Washington State Department of Public Assistance; and the Colorado Department of Social Services. (See app. II.)

Major results

HHS has interpreted the four experiments' results as showing that the income guarantee plans tested did not result in large, absolute, work reductions. For example, a near poverty level guaranteed income, reduced by 50 percent of any earnings, would result in average work week reductions of about

- --2 hours (or 6 percent of actual average 33.3 hour work weeks) for working husbands in two-parent families,
- --2.5 hours (or 20 percent of actual average 12.5 hour work weeks) for working wives in two-parent families, and
- --2.8 hours (or 15 percent of actual average 18.7 hour work weeks) for working female heads of household.

However, these results are believed to have significant implications for a national income guarantee program's total costs. (See app. I, p. 25 for further details.)

In one experiment (Seattle-Denver), there were disturbingly higher family splitups reported among some treatment groups than control groups. About a 44 percent increased family dissolution rate was attributed--by interim experiment results--to the test guaranteed income plans.

RESULTS OF OUR REVIEW

In our opinion, the income maintenance experiments--the first of their kind ever done in the United States--represent an important contribution to the social research field. The experiments demonstrated the feasibility of the experimental approach for assessing many social and economic consequences of proposed programs, gathered voluminous data about human behavior, identified better ways to administer existing programs, and developed valuable experience about the conduct (planning, monitoring, and results dissemination) of social experiments. Many important technical and operational lessons were learned, but they have yet to be drawn together and comprehensively summarized for the benefit of end-users and future researchers.

Experiments, unlike most conventional evaluative approaches (statistical studies, State welfare law comparisons, etc.), actually implement proposed programs on a test basis, enabling judgments about them before (1) significant funds have been committed, (2) unintended social and economic consequences have resulted, and (3) millions of lives have been affected. But experiments have limitations--largely due to the complexity of predicting human behavior--and cannot indisputably portray all of the conditions or results which might exist or occur under an operational national program. As a consequence, social experiments present unique challenges for planners, managers, and evaluators, and caution is needed in interpreting and using their results.

In this respect, our review of the seven facets (see p. 1 of the income maintenance experiments identified several problems which may have affected overall results' usefulness. In our view, experiment strengths and weaknesses studied against the shifts and dynamics of national policymaking during the 1970s present an important base of knowledge for other social research planners, experimenters, and end-users to learn from and build upon.

Overall Summary

1. Need for the experiments: Today, the need for the experiments seems clear, considering the period when the decision to conduct them was made and the then-current and perceived direction of social welfare policy. Major welfare reform proposals in the 1970s were guaranteed income plans--which the experiments essentially were designed to test. Although the experiments were costly, the programs tested had potential multibillion dollar price tags. (See app. I, pp. 1 to 4.)

2. General design adequacy: In retrospect, experimental design choices seem to us to have been reasonable, with some qualifications. First, certain sampling improvements might have enhanced results. Second, the experimental programs did not include work requirements, which somewhat reduced comparability with major welfare reform measures introduced during the 1970s. In addition, experiments have definite inherent limits, such as their finite durations, which can affect results in indeterminable ways, and the effects of which, at best, can only be minimized by design decisions. (See app. I, pp. 4 to 10.)

3. Management of the experiments: There were certain weaknesses in OEO's and HHS' management of the experiments. For example, there was no comprehensive plan for coordinating the four experiments, and little evidence that likely end-users were systematically consulted or otherwise formally involved in the various planning stages. Also, there were no formal agency procedures to be used by agency personnel for technical monitoring of the projects or systems for disseminating the interim and final experiment results. (See app. I, pp. 10 to 14.)

4. Timeliness and completeness in disclosing family dissolution results: In 1978, concurrent with congressional consideration of President Carter's welfare reform bill, controversy arose over unusually high family splitups experienced in the Seattle-Denver experiment. HHS was suspected of remaining silent about the findings, so as not to conflict with the President's bill--which (1) HHS largely had developed, (2) had a guaranteed income component, and (3) had, among its goals, the promotion of welfare family stability.

We believe HHS was tardy and incomplete in disclosing these findings, but we attribute this to project management weaknesses. We did not conclude that HHS intentionally withheld the findings from the 1978 welfare reform deliberations. (See app. I, pp. 14 to 18.)

5. Soundness of major results: In our view, the experimental work response findings seem about as sound as could be expected. These results were (1) generally consistent among the four experiments, (2) what the experiments were specifically designed to measure, and (3) consistent with generally accepted economic theory.

However, because of such experiments' limitations as the relatively short durations and sampling approaches used, the findings might over- or understate an operational program's possible outcomes. Thus, policymakers should be cautious when using the work reduction results to formulate nationwide programs.

While potentially significant, the family splitup findings were: (1) substantively uncovered in only one experiment, (2) not the critical experiment focus, (3) apparently inconsistent with conventional theory, (4) derived from mixed results of married and cohabiting couples, and (5) are still undergoing analysis by HHS and SRI. (See app. I, pp. 18 to 22.)

6. Influence on policy and existing programs: It is difficult to specifically determine all the broad policy effects (inputs to national welfare reform policy decisions, debates, etc.) resulting from the experiments. President Nixon's 1969 Family Assistance Plan (developed before experiment findings were known) seems to have set the stage for the welfare reform deliberations in the 1970s. However, continuing support for income guarantee proposals might have lessened if experiment work reductions had been far higher.

Among their identifiable effects, the experiments demonstrated the advantages of certain client reporting and payment determination techniques, which have been adopted--with reported savings--in some States' Aid to Families with Dependent Children programs. In addition, experiment results were used to develop an innovative mathematical model, now used by HHS to predict alternative program costs and social consequences. (See app. I, pp. 23 to 28.)

7. Need for further experimentation: We believe this issue cannot now be properly addressed, because (1) HHS has not yet reported the collective results of the income maintenance experiments, (2) there is no central information source about ongoing and planned social research projects in the Federal Government, and (3) there is no system for identifying and cataloging user needs for the kinds of information which social experimentation might provide.

We recognized these problems in earlier reports entitled "Social Research of Limited Use to National Policymakers" (Apr. 4, 1977, HRD-77-34) and "U.S. Income Security System Needs Leadership, Policy, and Effective Management" (Feb. 29, 1980, HRD-80-23). We continue to believe that centralized coordination of Federal and related social research activities could reduce existing gaps in information about (1) ongoing and planned research and (2) user needs for such research and help ensure consistent and objective social research planning and management. (See app. I, pp. 28 to 31.)

RECOMMENDATIONS TO THE SECRETARY OF HHS

To improve the usefulness of the knowledge gained by the income maintenance experiments, we recommend that:

--The four experiments' results be summarized in layman's terms and distributed to all interested and affected Federal legislators and executive branch program managers.

--Lessons learned about the conduct of experiments be summarized and shared with such agencies as the Departments of Labor, Housing and Urban Development, Agriculture, and others planning or likely to conduct related research projects.

RECOMMENDATIONS TO THE CONGRESS

We recommend that the Congress, in authorizing future social research, such as the experiments, require Federal agencies to

--prepare plans identifying end-users, user needs, and expected results;

--set forth project monitoring and coordinating procedures, criteria, and standards by which to assess project progress and results; and

--detail procedures for disseminating interim and final results to users and summarizing both technical results and operational lessons learned from the proposed projects.

AGENCY COMMENTS AND GAO'S EVALUATION

We obtained comments from HHS, the Department of Labor and the Community Services Administration (CSA). HHS generally agreed with our recommendations and pointed out that steps are now underway to ensure widespread use of the results and lessons learned from the experiments. HHS commended the report's research and sensitivity to underlying issues and agreed with our conclusions about

- the need for the experiments;
- the general soundness of experiment design and analysis;
- the problems in disclosing the family stability results;
- certain experiment management weaknesses, including inadequate HHS reporting and dissemination mechanisms;
- the role of the experiments in policymaking; and
- the need to generally communicate about how and whether to undertake similar research activities.

HHS disagreed with several points. For example, HHS stated that (1) comprehensive planning, which the report identifies as a problem with the experiments, may be impractical and can inhibit research; (2) contrary to report statements, monitoring procedures did exist and an outside contractor was hired for technical monitoring of HHS experiments; and (3) our conclusion about the family results disclosure issue, although generally correct, is unfairly narrow and not fully supported--because the findings were tentative, required extensive review, and were delayed for such reasons, and not necessarily the reasons the report cites.

First, we disagree with HHS about the need for comprehensive planning at the beginning, believing such planning may have reduced inconsistencies across the experiments and increased overall results' usefulness. Second, we were unable to identify formal technical monitoring guidelines and procedures for the experiments, and we do not believe the experiments' monitoring contract eliminated HHS' need to establish for use by its personnel, formal technical guidelines and procedures. Third, while we recognize the questionable nature of the family dissolution findings, we believe HHS should have had procedures to ensure such potentially significant results were brought--as early as possible--to the attention of HHS and outside policymakers.

Labor commented that our report was a useful and balanced review of the experiments. Labor agreed that

- the experiments were important social research,
- major design decisions were reasonable,
- the work response findings were as sound as could be expected, and

--an overall summary of the experiments' results and lessons should be prepared.

Labor expressed three primary concerns about the report. First, the report does not adequately highlight the experiments' influence on the design of President Carter's 1977 welfare reform proposal. Second, results reporting, particularly by experiment contractors in scholarly journals, etc., was not untimely or haphazard as the report suggests. Third, an independent national income security body--which was recommended in an earlier GAO report and is cited in this report--would not be as effective as existing agencies in suggesting, designing, approving, or executing social research. Labor, however, commented that such a body might serve as a repository of information about past social research activities.

We disagree with Labor about our assessment of the experiments' influence on President Carter's welfare reform proposal. Although experiment results influenced the design of the proposal's public service jobs component, other factors--such as anticipated general opposition to unrestricted income guarantees and Labor's reported insistence on an integral jobs program--apparently exerted stronger influence on the initial decision to include the jobs component. Second, the report's conclusions (with which HHS agreed in its comments) about weaknesses in reporting mechanisms and practices are essentially directed at agency practices, not contractors. Third, our earlier report recommendation to establish an independent national income security body to provide central system leadership was based on an extensive study of the United States income security system. The report recommended that the Congress determine such a body's specific functions, authorities, and goals, but suggested that one major objective might be to address the need for a comprehensive national income security policy. Such an objective logically might involve studying the results of, coordinating, and conducting, when appropriate, social research activities.

CSA agreed that there was a lack of initial coordination of the experiments and absence of detailed dissemination plans and procedures. CSA also agreed that HHS should prepare a comprehensive experiments' summary.

CSA expressed several concerns, including (1) OEO's pioneering social research work, as reflected in the New Jersey experiment, is given only grudging praise in the report; (2) the report is distorted because it does not consider the effects which budgetary limitations placed on the experiments' scopes and only considers what was actually undertaken in the experiments; (3) contrary to report statements, likely end-users were consulted during OEO's involvement with the experiments, although such consultations may have broken down later; and (4) the Office of Science and Technology Policy should be made responsible for centrally coordinating social research activities.

Contrary to CSA's views, we believe the report sufficiently portrays our belief that the experiments were important, unprecedented social research. We disagree that the report presents a distorted view because it only considers what was actually undertaken given budgetary constraints and not what may have been proposed initially to be undertaken. Rather, the report is balanced with historical, technical, topical, and managerial perspectives about the experiments so that strengths and weaknesses are identified for others to learn from and build upon. CSA's comments about initial planning efforts do not conflict with our conclusion that informal communications likely occurred. Our concern is the lack of continuing and systematic attempts to identify and address prospective user needs, which apparently did not occur. Finally, as the report points out, Office of Science and Technology Policy's activities have evolved--since its 1976 creation--to predominately focus on the physical sciences, engineering, and technology, with minimal involvement in the social research area.

Each of the agencies made additional comments about specific report statements. Report modifications were made where appropriate. Appendixes VII (HHS), VIII (Labor), and IX (CSA) contain agency comments and our related responses.

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As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time, we will send copies to other interested parties and make copies available to others upon request.

Sincerely yours,

Milton J. Socolar

Acting Comptroller General
of the United States

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ABBREVIATIONS

AFDC	Aid to Families With Dependent Children
CSA	Community Services Administration
FAP	Family Assistance Plan
GAO	General Accounting Office
HHS	Department of Health and Human Services
IRP	Institute for Research on Poverty
ISP	Income Supplement Program
MPR	Mathematica Policy Research, Inc.
OEO	Office of Economic Opportunity
OSTP	Office of Science and Technology Policy
PBJI	Program for Better Jobs and Income
SRI	Stanford Research Institute, International

EXPANDED SUMMARY

NEED FOR THE EXPERIMENTS

In our view, the income maintenance experiments were needed, considering the (1) direction social welfare policy seemed to be taking in the mid-1960s, (2) then-existing incomplete data about work responses and the apparent capability of experimentation to provide more precise data, and (3) apparent cost practicality of experiments relative to the potential multibillion dollar programs tested.

Income guarantee--welfare's 1960s and 1970s policy focus

The "income guarantee" idea--also commonly known as a "negative income tax"--was discussed as early as World War II by a group of U.S. Treasury Department economists. One of the economists, Milton Friedman, later expanded on the concept in his 1962 book entitled "Capitalism and Freedom."

By the mid-1960s, national income guarantee programs were being hailed--by R. Sargent Shriver, Office of Economic Opportunity (OEO) director, and others in the executive branch and the Congress--as the best way to remedy the Nation's welfare problems. These problems--excessive costs, program overlaps, administrative complexity, uneven geographic coverage, work disincentives, and family instability--resulted primarily from a multiplicity of fragmented social welfare programs spread across Federal, State, and local jurisdictions.

Comparatively, the income guarantee approach seemed comprehensive, equitable, simple to understand and administer, and able to be designed to deal with most of welfare's adverse economic and social consequences. Under the guarantee approach, eligibility generally would be based only on family income. Families with no income would be entitled to a fixed maximum cash benefit (income guarantee), which would decrease at a fixed rate (benefit reduction rate) as earnings increase. At some earnings level (break-even point), participants no longer would receive benefits.

In October 1965, OEO made the first attempt to implement such a plan when it proposed an estimated $4.7 billion income guarantee program, which also provided for public service employment. President Johnson chose not to submit the plan (or a similar 1966 OEO plan) to the Congress. Two major obstacles to the OEO plan's acceptance were (1) escalating Vietnam War costs which discouraged expensive domestic program initiatives and (2) fears that the plan, by guaranteeing incomes, might cause massive withdrawals from the labor force.

In January 1968, President Johnson appointed a commission to study, among other things, existing welfare programs and recommend alternatives. In November 1969, the commission recommended a plan essentially based on the guaranteed income concept, but the plan was not endorsed by the then-incumbent Nixon Administration.

Instead, in 1969 President Nixon introduced to the Congress his Family Assistance Plan (FAP) which included an income guarantee for families with children. FAP failed to pass the Senate, as did modified versions reintroduced in 1970 and 1971 (as parts of a bill known as H.R. 1), primarily because of pervasive fears about its prospective work disincentive effects on able-bodied recipients.

During the 1970s, continuing attempts at welfare reform primarily centered on income guarantee proposals. These included:

--Tax Credits and Allowances Act of 1974

Developed by the Subcommittee on Fiscal Policy (under Chairwoman Martha Griffiths) of the Joint Economic Committee.

--Income Supplement Program (1974)

Development in 1974 by interagency task force commissioned by HHS Secretary Casper Weinberger.

--Welfare Reform - A Proposal for Change (1976)

Developed in 1976 by the National Association of Counties.

--Better Jobs and Income Act of 1977

Developed by welfare reform consulting group commissioned by President Carter.

--The Welfare Reform Act of 1978

Developed by Congressman Ullman, Chairman, House Ways and Means Committee, as substitute for President Carter's 1977 bill.

--Social Welfare Reform Amendments of 1979

Modified version of President Carter's original cash assistance initiative.

None of these proposals were adopted and the work disincentive issue remained central. To help counter this, President Carter included a sizable public service job component in his 1977 reform proposal, but total costs became an overriding issue.

Work incentive data were incomplete

When OEO decided to conduct the first income maintenance experiment, little empirical data existed on the work response effects of welfare programs. As a result, it was not possible to convincingly project the extent to which primary earners (able-bodied, working-age persons--primarily men) in poor families might reduce, quit, or not work in order to take full advantage of an income guarantee program.

The problem was characterized this way:

> "Even rough answers seemed impossible to extract from the available statistics. Since existing programs did not cover most able-bodied men, their statistics could not be used to infer the behavior of men if they were covered (under a negative income tax program)." 1/

Economists believed that a guaranteed income program's cash payments would cause families to reduce work effort. At issue, however, was the size of the work reduction, and its effects on the costs of a nationwide guaranteed income program. In the absence of evidence, the issue fell prey to rhetorical stalemates.

Social experimentation--the plausible alternative

The mid-1960s environment was fertile ground for social research efforts. The many new social programs which had been proposed or enacted caused legislators to become increasingly interested in testing initiatives before implementing them. Two other factors which influenced OEO's 1966 decision to experiment were: (1) the recent advances in analytical techniques and computer processing of data and (2) a vigorous interest among economists and other social scientists to attempt controlled social experimentation.

Experimentation appeared to be the best means to satisfy OEO's needs for empirical work response data. In a controlled experiment, only a portion of the total sample tested (experimental or treatment group) would be offered guaranteed incomes and the rest of the sample (control group) would not. The researchers could gather data about the two groups, note such behavioral differences as work hours and sort and attribute differences to the test plan. Using control groups distinquishes social experiments from the more conventional evaluative techniques, such as statistical comparisons

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1/Alice M. Rivlin, "Systematic Thinking for Social Action" (Washington, D.C.: The Brookings Institution, 1971), page 95.

of cross-sections of welfare recipients, demonstrations, pilot projects, or comparisons of the effects of State welfare laws and regulations.

Another compelling argument at the time for large-scale experimentation was that it had not been done before. This engendered enthusiasm for the idea among policymakers and researchers.

Costs of the experiments

Through September 30, 1980, the income maintenance experiments had cost about $110 million (see app. II). Of this, about $30.8 million (28 percent) was for benefit payments, which, to some extent, replaced welfare program payments which would have been made to the same eligible persons.

A primary justification for the income maintenance experiments was that the proposals tested were potentially very costly and could affect large segments of the population. For example, OEO's 1965 plan was estimated to cost $4.7 billion, and the 1970 FAP had an estimated cost of $5.5 billion. President Carter's 1977 proposal had an estimated gross cost of $31.1 billion and would have provided cash payments to an estimated 25 million persons.

Therefore, although the experiments were expensive--considering previous expenditures for social research activities--the decision to undertake them appears justified considering the (1) multibillion dollar, wide ranging programs they were to test and (2) policymaking value of the social research data they were expected to develop.

GENERAL DESIGN ADEQUACY

In retrospect, the income maintenance experiments' planners made many difficult and, in some cases, unprecedented design decisions which we generally believe were reasonable, with certain qualifications, such as

--certain sampling improvements might have enhanced the income maintenance experiments' results and

--excluding work requirements may have reduced comparability with major 1970s welfare reform proposals.

In addition, because experiments have inherent limitations, they may not, regardless of design quality, fully portray the conditions of an actual, large-scale program.

Inherent social experiment limitations

Social experiments, regardless of design quality, may not fully represent the conditions of a large-scale, fully implemented program. This is because experiments' durations are finite and because of a behavioral phenomenon known as the "Hawthorne effect."

Social experiment participants may not respond naturally to experimental conditions because they know these conditions are only temporary. Some income maintenance experiment participants, for example, knowing that the experiment would end in a few years and fearing substantially reduced incomes when the experiment was over, might not have reduced their work. However, some may have viewed the experiments' benefit payments as a temporary opportunity to work less at the same income--a "cheap vacation." The former assumption would have tended to understate experiment work reduction results, while the latter would have overstated them.

The temporary experimental programs might also have affected the general availability of part-time jobs differently than a national program. If for example, national program participants seek on a large scale to substitute part time for full-time work (thus, decreasing work hours and becoming eligible for or increasing benefits), employers eventually might respond to such a demand by making more part-time jobs available. It is conceivable that the experiments' participants might have reduced their full-time work more than they did if more part-time jobs had been made concurrently available.

The income maintenance experiments attempted to measure the limited duration impact. Although most of the about 8,750 families in the experiments' samples were enrolled for 3 years, 1,200 families in the Seattle-Denver experiment were enrolled for 5 years, and HHS originally enrolled another 200 families in a 20-year experimental plan until 1991 (which was recently discontinued due to funding uncertainties). These different enrollment periods should, when all data are analyzed, help identify some of the effects which longer test durations have on participants' responses. Preliminary comparisons of the 3-, 5-, and 20-year groups indicate somewhat higher work reductions among the last two groups.

Experiment participants may also respond somewhat to the act of being studied. This phenomenon, known as the "Hawthorne effect," was observed in a 1927 study--conducted on workers at the Western Electric Company's Hawthorne Works in Cicero, Illinois--which concluded that employees altered their behavior because management paid more attention to them during the study. Social experiment participants may have behaved similarly, responding not only to the program option being tested, but to the experiment itself. The extent to which the Hawthorne effect influenced the experiments' results is unclear.

The income maintenance experiments' researchers purposely tried to minimize the Hawthorne effect by limiting contact with participating families. Researchers mailed benefit payments and monthly income reports and limited personal interviews to one every several months.

Sampling limitations

We identified several possible limitations in the income maintenance experiments' sampling procedures. These were sample type used, extent of geographic and ethnic coverage, sample sizes, income restrictions, and assignments of participants to the specific program options tested.

Sample types used

The New Jersey, Rural, and Seattle-Denver experiments used scattered samples--households were randomly selected among all the eligible households in each experiment's location. A scattered sample is cheaper and easier to administer than alternative techniques, such as a saturation sample (where every eligible household is selected) or a national sample.

In a scattered sample experiment, however, the experiment's conditions do not affect the community as a whole and prevailing community standards may continue to influence participants' responses. In the income maintenance experiments, a community's "work ethic," for example, may have influenced recipients not to reduce work, despite the inducements of the income guarantees being tested. Over time, however, a fully implemented program could change community standards and possibly result in different work or other behavioral responses than the experiments' results showed.

Limited geographic and group coverage

The income maintenance experiments were conducted at different locations and different racial and ethnic groups and family types were analyzed, but the experiments' samples omitted certain important geographic areas and population groups. Therefore, the experiments' results are not necessarily representative of all potential guaranteed income recipient groups.

For example, large metropolitan areas (such as New York, Chicago, Los Angeles, etc.) where many lower income families reside were not included. Also, the experiments' sites also did not include any large southeastern or southwestern cities and the Gary experiment--the only experiment done in the urban midwest--was limited to black families.

The Rural experiment also excluded large segments of the Nation's rural population. According to HHS' final experiment summary, this study's results cannot be generalized to the Nation's entire rural, low-income population because of differences among communities in the far west, the great plains, and the east.

The income maintenance experiments also did not examine several different racial and ethnic groups. For example, the experiments' samples did not include American Indians, Asian Americans, or Hispanic Americans of the southwest.

We recognize the impracticality of attempting, through the experiments, to study every geographic area or racial or ethnic group in the United States. We believe, however, that users of the experiments' results should understand that, although the experiments tested a number of population groups, not all potential income guarantee participants were included in their samples.

Small sample sizes

Although the income maintenance experiments tested income guarantees on a total of about 8,750 families, three of the four experiments had small initial or final samples which reduced the statistical usefulness of their results.

The New Jersey experiment, for example, tested guaranteed income plans on a total sample of 1,357 families. The experiment's results, however, were based on an analysis of only 693 of these families. The sample was reduced because of attrition (269 families moved, refused to be interviewed, etc.,) and because researchers excluded (1) 254 families that disbanded during the experiment and (2) another 141 families that were not in the original samples, but were included after the experiment began.

In the Gary experiment, attrition and exclusions also reduced the original sample size by about one-half (from 1,799 to 967).

The Rural experiment's initial sample size (about 800 families) was the smallest of the experiments because, according to its contractor director, OEO apparently decided that the urban poverty problem was more serious than the rural problem and allotted more money to the New Jersey experiment. Along with its small sample size, the usefulness of the Rural experiment's results was further decreased because:

--Researchers further divided the sample into farmers and rural wage-earners; thus, producing two smaller, statistically less significant samples.

--The experiment attempted to represent two separate, geographic regions (the midwest and the south), but the respective samples were too small to be statistically useful.

--About 27 percent of the sample families were households with female or elderly heads, although the experiment's test group was two-parent, working families.

--The sample was reduced by about 280 families because of attrition and exclusions.

Sample size was not a problem in the Seattle-Denver experiment. The experiment's large sample size (about 4,800 families) was designed to ensure greater confidence in the experiment's results and essentially eliminated the potential adverse affects of attrition and exclusions.

Participant income restrictions too low

In each income maintenance experiment, criteria were established to select sample participants. One of the criteria, annual income, excluded relevant income groups and, as a result, reduced the experiments' ability to reliably assess all income guarantee work affects.

The New Jersey and Rural experiments' samples were restricted to families whose predicted annual incomes were not more than 150 percent of the established national poverty level. OEO set these cutoffs because it did not want to provide benefits to families who were not technically poor, and it wanted to ensure that recipients would receive significant cash assistance to maintain their interest and minimize attrition. These cutoffs, however, virtually eliminated families which might have decreased their work to become eligible for benefits (particularly families with more than one wage-earner). Thus, this potentially important income guarantee impact was not analyzed.

Although the Gary and Seattle-Denver experiments had higher income restrictions than the OEO experiments, relatively higher income families were still underrepresented in their samples. According to one economist's assessment of the income maintenance experiments, their income restrictions were, "* * * a major shortcoming of the early experiments and continued to be a problem in the later experiments as well." 1/

1/Charles E. Metcalf, "Comment on 'Issues and Lessons of Experimental Design,' "Welfare in Rural Area, The North Carolina Iowa Income Maintenance Experiments, ed. John L. Palmer and Joseph Pechman (Washington: The Brookings Institution, 1978), page 72.

Participants' incomes influenced assignment to test plans

The New Jersey experiment's designers developed the technique used in all four experiments to assign participants to the various program options tested (for example high- and low-benefit plans).

This technique resulted in the assignment of disproportionate numbers of lower income families to low-benefit plans and higher income families to high-benefit plans. In effect, more families received less money, thus maximizing the number of participants each experiment's budget could afford.

Because of this assignment approach (known as a stratified random sample), however, the number of families whose income would have been substantially increased by the experiments' benefits payments was restricted. This, in turn, may have limited resulting information about how lower income families might respond to the large potential gains from higher benefit plans. In addition, the assignment approach may have affected actual work response results for individual program options tested. One Stanford Research Institute, International (SRI), research report concluded, for example, that if, in the Seattle-Denver experiment, assignments to treatment plans were made regardless of income level (a simple random sample), responses to individual plans might have been considerably different, although the experiment's overall results likely would not have changed significantly.

Lack of a work requirement

In each experiment, benefit recipients were not required to seek or accept jobs in order to receive benefits. This lack of a participant work requirement made it difficult to use the experiments' results to evaluate guaranteed income proposals which include work provisions. As a result, the experiments' value as a decisionmaking input was reduced.

The experiments' designers did not include a work requirement in the experiments because they wanted to isolate the effects of a "pure" income guarantee. In addition, monitoring participant adherance to a work requirement would have created serious administrative problems.

However, most of the major guaranteed income proposals of the 1970s (when the experiments' results became available) had work requirements. A former HHS official who was involved in the income maintenance experiments stated that, "* * * [it is] impossible to directly carry these [experiments'] results over to the current welfare reform program and to many alternatives * * * there was no work requirement in any of these [experiments'] programs." 1/

PLANNING, MANAGEMENT, AND RESULTS DISSEMINATION

We identified some general weaknesses in the management of the experiments. For example:

--The needs of prospective users were apparently not fully considered.

--There was no comprehensive plan developed to coordinate the experiments and integrate their results.

--There were no formal technical monitoring procedures.

--There were no results dissemination procedures, resulting in apparently untimely reports and inconsistent reporting practices.

In three previous reports dealing with HHS and OEO study and evaluation contracts and social research more generally, we emphasized similar planning, project monitoring, and results dissemination weaknesses. The reports were "Need for Improving Administration of Study and Evaluation Contracts" (B-164031(1), Aug. 16, 1971), "Improvements Needed in the Administration of Contracts for Evaluations and Studies of Antipoverty Programs," (B-130515, Dec. 28, 1971), and "Social Research and Development of Limited Use to National Policy-makers" (HRD-77-34, Apr. 4, 1977).

Prospective end-users not fully considered

In our opinion, an integral part of policy research--which increases the likelihood of its being used--is planning for usage. Although informal communication about user interests may have occurred, we could not find any evidence (beyond the annual appropriations process--also see p. 14) that experiment planners formally or systematically consulted prospective users, outside HHS or OEO, of the experiments' results.

A former HHS official and experiment project manager told us that the agency had no formal procedures for identifying legislator and other policymaker interests in experiment results, pointing out

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1/Robert G. Spiegelman, "Comment on 'Design and Operation,'" Welfare in Rural Areas, The North Carolina-Iowa Income Maintenance Experiment, ed. John L. Palmer and Joseph Pechman (Washington: The Brookings Institution, 1978), page 52.

that it is often difficult beforehand to precisely say who the ultimate reseach results' users will be.

We agree it is difficult to forecast users and their interests (further discussed pp. 29 to 31), but we believe initial and continuing attempts should be made to determine what information may be needed, when it might be needed and in what format, and to systematically solicit congressional and other views about how best to meet such information needs.

No comprehensive plan
coordinating the experiments

According to HHS, each of the experiments was to serve as an integral part of an overall research strategy. However, there apparently was no comprehensive plan developed to coordinate them or integrate their final results. The absence of such planning may have contributed to inconsistencies in the experiments and an inability to use some of the results.

The experiments variously tested (in addition to work responses) over 20 participant responses, but only a few--e.g., consumption expenditure patterns, housing demands, and household composition changes--were treated by all four experiments. The others (psychological well-being, birth weights, job satisfaction, teenage delinquency, etc.) were treated in some experiments and not others, resulting in limited information about these responses.

Furthermore, benefit eligibility rules differed among the experiments. One experiment, for example, required family members to be 21 years old before they could leave the family household and still receive benefits, while the others required members to be 18 years old. In one experiment, departing spouses could get part of the family's payments, but in another, payments were contingent on custody of a child.

Income that was counted for eligibility and benefit level determinations also differed among the experiments. Examples included medical expense reimbursements, public housing subsidies, and value of owned housing.

Such administrative variations can affect participant responses and complicate identifying the effects of the program being tested. Also, they can increase difficulties in comparing the experiments' results.

In a similar way, although a primary experiment goal was to use results to estimate costs of national welfare reform programs, planners never set forth how they intended to use experiment results to accomplish this goal. In 1977, HHS developed a computer simulation model to estimate costs for President Carter's welfare reform bill. HHS officials told us, however, that only results from the Seattle-Denver experiment could be used because the other experiments had sample sizes too small for use in cost estimates.

We recognize the difficulties for planners in attempting to predict all results and their uses or to anticipate later developments, such as the 1977 cost projection model. However, we believe the lack of comprehensive planning at the beginning increased the likelihood of inconsistencies and may have reduced the usefulness of the results of the experiments.

No project monitoring procedures

According to HHS officials, there were no agency guidelines or procedures for technical monitoring of the experiments. They also said that project managers and staff had a difficult time reviewing and analyzing the voluminous data submitted to them by the contractors.

Monitoring was complicated further because

- --two different Federal agencies (OEO and HHS) managed the experiments,
- --five different contractors conducted the experiments,
- --contactors' work continued for 14 years, and
- --HHS staffs assigned to the experiments were small and had a high turnover rate.

We believe agency monitoring procedures are essential to adequately administer social research on the scale of the income maintenance experiments to assure, for example

- --overall project goals are met,
- --project operations are efficient and problem areas are identified for early attention and resolution,
- --the agency's perspective is regularly brought to an otherwise technical research environment, and
- --Federal interests are pursued and protected.

No systems or procedures for disseminating experiment results

HHS officials told us that judgments about what, where, and how to report experiment results were made on a case-by-case basis with no formal procedures or plan. In our opinion, the lack of HHS procedures governing the review and dissemination of experiment findings resulted in untimely reports and haphazard reporting practices.

The following table shows the dates when experiment fieldwork ended and issue dates of various HHS reports.

Report title	Fieldwork ended	Report Final	 Interim
"Summary Report: New Jersey Graduated Work Incentive Experiment"	1972	12/73	
"The Rural Income Maintenance Experiment: Summary Report"	1973	11/76	
"The Gary Income Maintenance Experiment: Summary of Initial Findings"	1974		a/3/77
"Summary Report: Seattle-Denver Income Maintenance Experiment Mid-Experimental Labor Supply Results and a Generalization to the National Population"	1976 (for 96% of sample)		2/78

a/Contractor report.

HHS has issued final, nontechnical reports on the OEO-sponsored New Jersey and Rural experiments. The Rural experiment report was issued 3 years after fieldwork ended.

HHS officials told us that they have not yet decided whether to issue final HHS reports for the Gary and Seattle-Denver experiments. The 1977 Gary report only summarizes results of the experiment's first 2 years (1971 and 1972). The Gary contractor provided final work reduction results to HHS in November 1979.

The 1978 Seattle-Denver experiment report covers its first 2-1/2 years--beginning in Seattle in 1970 and Denver in 1971. We were told that the interim report remained in draft form for about 2 years because (1) HHS was undecided about what it should address and (2) staff were not available to finish it.

According to HHS officials, the contents and timing of issued reports came from their independent judgments about particular results reliability and user interests--and the availability of staff to work on them.

In this regard, we noted the following:

--In background material about the experiments submitted in 1972 by HHS to the Senate Finance Committee, the final Gary report was estimated to be available in 1974 and an interim Seattle-Denver report in 1975.

--The actual 1978 Seattle-Denver interim report only discussed work response results, unlike the three earlier reports which dicussed other responses--including family stability effects.

--Although HHS issued final New Jersey and Rural experiment reports and an interim Seattle-Denver experiment summary, it had not, as of September 30, 1980, issued a Gary experiment report. The Gary experiment interim report was issued by the experiment's contractor and included a statement disclaiming HHS' responsibility for its contents.

There are other ways that selected knowledge about the experiments is disseminated to the Congress, academia, the public, and others, but these methods are ancillary to HHS' formal distribution of experiment results. The ways include:

--Each year HHS submits to the Congress a "Policy Research Report," which briefly describes the status of all of its policy research activities, including the experiments.

--HHS periodically has testified about the experiments at congressional hearings on annual appropriations, welfare reform legislation, and social research and experimentation.

--Experiments' research contractors have issued numerous technical reports and journal articles on the experiments' results. For example, SRI has issued a series of over 40 Research Memoranda on the technical aspects of the Seattle-Denver experiment. Each was submitted to HHS for review before publication and includes a statement disclaiming HHS responsibility for its contents. Although contractor publications are important dissemination devices, they are generally prepared for the research community and are extremely technical and difficult for laymen to understand.

TIMELINESS AND COMPLETENESS IN DISCLOSING FAMILY DISSOLUTION RESULTS

Critics of HHS have contended that it withheld information on the unexpectedly high family dissolution rates reported among Seattle-Denver experiment participants. The contention was that these results appeared to conflict with the goals of President

Carter's comprehensive welfare reform measure, which HHS had helped to develop. We did not conclude that HHS purposefully withheld these results. We believe, however, that HHS' dissemination of them was tardy and incomplete, because of certain management weaknessess--lack of dissemination systems, plans, or procedures. (See pp. 12 to 14.)

Controversy about family dissolution results

The income maintenance experiments analyzed the effects of the income guarantee plans on family composition changes. However, only in the Seattle-Denver experiment--the largest and most technically sophisticated experiment--did results clearly indicate significantly higher family dissolution rates among some benefit recipient families than among control group families. Interim results from this experiment showed that white and black experimental group families had splitup rates about 44 percent higher than white and black control group families.

These findings were scrutinized during November 1978 social research and experimentation hearings held by the Senate Finance Committee's Subcommittee on Public Assistance. Before these hearings, Senator Daniel P. Moynihan (then the Subcommittee's Chairman) stated that HHS officials, "* * * would not come forward and talk about the findings until I raised questions with them. I fear they may have been hiding them."

During the hearings, Senator Moynihan stated that the family dissolution results were important because they suggested that an income guarantee program, "* * * far from strengthening family ties, might weaken them * * * Ten years ago, we expected quite different outcomes from these tests."

Delays within HHS in reporting results

In 1974, the Seattle-Denver experiment contractor, SRI, first reported to HHS on the high dissolution rates of benefit recipient families. HHS officials responsible for monitoring the experiment, however, did not inform their superiors--at the Deputy Assistant Secretary and Assistant Secretary levels--because no procedure existed to routinely inform high-level HHS officials of income maintenance experiment results and lower level HHS personnel monitoring the experiment were unsure of the findings' significance.

As a result, HHS policymakers with dissemination responsibilities may not have learned about the Seattle-Denver experiment's family dissolution preliminary results until May 1977--2 years after SRI's initial report--when an article discussing them, written by SRI researchers, appeared in the "American Journal of Sociology." HHS officials told us that they later established an internal review and reporting procedure--requiring brief summaries of all contractor reports and automatic referrals to high-level officials--to help prevent this situation from recurring.

HHS external reporting slow and incomplete

Although HHS subsequently reported the family stability findings to the Congress, its disclosures were not comprehensive or timely, particularly when compared to SRI's independent publications of technical data.

SRI has, since 1976, issued several Research Memoranda on the family stability results. In June 1976, SRI issued a Research Memorandum entitled, "The Impact of Income Maintenance on the Making and Breaking of Marital Unions: Interim Report." This report, a technical analysis of family stability in the Seattle-Denver experiment's first 18 months, concluded that "* * * the overall impact of income maintenance is to increase the rate of marital dissolution * * *"

In August 1976, SRI issued another memorandum which concluded that in the experiment's first 24 months, white and black families showed an increased family dissolution rate, but Hispanic-American families did not.

SRI issued five more Research Memoranda on the Seattle-Denver experiment's family dissolution findings from 1977 to 1979. Each technical report reiterated SRI's conclusion that income guarantees seem to increase family dissolution rates.

In 1977, SRI researchers presented their family splitup findings at the American Sociological Association's annual meeting. In 1977 and 1978, SRI researchers also published two articles on the findings in the "American Journal of Sociology."

HHS first reported the preliminary results in January 1978 in its fiscal year 1977 "Policy Research Report." This report, a summary of all HHS policy research for that year, briefly described the findings:

> "Interim analysis of the Seattle-Denver data revealed a higher rate of family breakup for families in the experimental group than for families in the control group * * * there was some evidence that its impact was greater in the early months of the experiment than later. Also the increased rate of family breakup was most pronounced among families receiving the least generous amount of cash assistance."

HHS' policy research reports for fiscal years 1978 and 1979 also briefly mentioned the Seattle-Denver experiment's family dissolution results. The 1979 report, for example, reiterated that preliminary analyses found the marital dissolution rate to be significantly higher in experimental than in control group families and discussed ongoing data analyses and concluded, "* * * the impact of income maintenance is a phenomenon that continues to be poorly understood."

Although HHS issued an interim report on the Seattle-Denver experiment's results in February 1978, the summary discussed only work reduction results because, according to HHS officials, the experiment's primary objective was to measure work responses.

HHS officials periodically testified on the income maintenance experiments' results at congressional hearings, but did not discuss the family dissolution rates until February 1978. Specifically:

--In House appropriations hearings on HHS' policy research budgets (which included funding for the income maintenance experiments) for fiscal years 1976, 1977, 1978, and 1979, HHS officials reported on the experiments' results, but not the family stability findings. (As explained on pp. 15 - 16, HHS officials may not have been aware of the matter before testimony on the fiscal year 1979 budget.)

--HHS officials did not discuss the family stability findings during House hearings (Sept. 1977) on the Administration's 1977 welfare reform proposal, the Program for Better Jobs and Income (PBJI), although one of the proposal's stated goals--to "promote family stability"--was in apparent conflict with the Seattle-Denver experiment's preliminary results.

--HHS did not testify about the family stability findings until Senate hearings on President Carter's welfare reform proposal (Feb. 1978) when an HHS official stated, in response to questioning, that the Seattle-Denver experiment showed, "* * * evidence that those families who received cash assistance broke up as much, if nor more, than those combined families who did not * * *."

--HHS officials did not report, in detail, on the family stability results until the November 1978 social research and experimentation hearings. During these hearings, an SRI representative stated that their researchers could have testified on the family stability results as early as December 1976, but "* * * we were not asked to appear."

As we discussed on pages 20 to 22, the Seattle-Denver experiment's family dissolution findings are questionable and are still analyzed. HHS officials told us that they were reluctant to report, in detail, on the preliminary results because their general reliability and significance have not been unquestionably proven.

We recognize that there is a risk in reporting preliminary or interim results which may later prove to be misleading. For example, in 1970 OEO was soundly criticized for releasing preliminary New Jersey experiment results for the FAP congressional deliberations, which were disproved by later experiment findings. We believe, however, that failure to fully report interim results, with appropriate qualifications, can lead, as it did during the latest welfare reform deliberations, to the appearance of selective disclosure.

SOUNDNESS OF MAJOR RESULTS

We reviewed much of the voluminous technical literature, and held discussions with agency officials and technical experts about the experiments' work reduction and family dissolution results. It appears that the

- --work reduction results are about as sound as could be expected, but experiments' limitations (see pp. 4 to 10) might over- or underestimate an operational program's prospective effects and policymakers should be cautious when using the findings to formulate nationwide programs, and
- --family dissolution results, while potentially significant, remain questionable.

Work reduction results

The income maintenance experiments' work reduction results (see app. III) were: (1) generally consistent in all four experiments, (2) what the experiments were specifically designed to measure, and (3) consistent with generally accepted economic theory.

General consistency in experiments

The experiments' estimates of work reductions caused by guaranteed income payments are generally consistent, despite the experiments' differences in geographic locations, demographic groups, and program options tested. The experiments' sites ranged from highly urban New Jersey cities to rural counties in North Carolina and Iowa. The income maintenance experiments also tested different racial and ethnic groups and family types--whites, blacks, Hispanic Americans, intact families, and single-parent families. Finally, each experiment offered different combinations of program options--benefit levels, benefit reduction rates, and such ancillary services as job counseling and child care.

Particularily important was the consistency of the results from the Seattle-Denver experiment--which had a large enough sample to produce statistically valid results--with the results from the three prior experiments. The New Jersey, Rural, and Gary experiments' results were essentially corroborated by the Seattle-Denver experiment's results.

Work reduction: what the experiments were designed to measure

The income maintenance experiments were specifically designed to generate work behavior data. Key design decisions about location, sample composition, and sample assignment were based on obtaining information about work disincentives.

For example, Denver was selected as a site primarily because researchers believed its increasing employment rate and diversified economy would facilitate reliable work response measurements. HHS initially planned to conduct the final income maintenance experiment only in Seattle, but that city's rising unemployment rate convinced HHS to also include Denver.

According to the SRI project leader, "The design of SIME/DIME [the Seattle-Denver Income Maintenance Experiment] has been heavily oriented toward maximum efficiency with regard to the measurement of the work effort effects." 1/ The other income maintenance experiments were similarly oriented.

Results consistent with generally accepted economic theory

The income maintenance experiments' results substantiated economists' longstanding theories that income increases would cause work reductions. However, such theories were without convincing empirical support. Early expectations about the experiments' results were described as follows:

> "* * * the researchers all expected from the outset that the payment of substantial amounts of unearned income to poor families would reduce the amount of labor they supplied, though not by very large amounts. These expectations were based in part on theory and in part on the results of non-experimental empirical research * * * In general the estimated effects of

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1/Robert G. Spiegelman, "The Design of Social Experiments with Principal References to the Seattle-Denver Income Maintenance Experiments," paper presented at SIME-DIME conference, Orcas Island, Washington, May 14 to 17, 1978, page 5.

the experimental treatment on labor supply are in accord with our expectations." 1/

Family dissolution results questionable

The family dissolution findings were: (1) only substantively uncovered in one experiment, (2) not the central design and measurement focus of the experiments, (3) apparently inconsistent with conventional theory, and (4) based on dissolutions of cohabiting, as well as married couples. These findings are still undergoing analysis by HHS and SRI.

Results substantive in only one experiment

The high family dissolution rates found in the Seattle-Denver experiment were not substantively found in the earlier experiments. In the New Jersey experiment, dissolution rates were higher in some treatment groups, but these results were determined not to be statistically significant (i.e., possibly not a consequence of the experimental program). Family dissolutions in the Rural experiment were so low (17 per 1,000 marriages annually) that experimental effects were ruled out, and the Gary experiment's results did not indicate that guaranteed income payments caused splitups. However, these experiments also have been deemed to be inadequate and thus, inconclusive data sources about the issue.

Family stability not the central experimental issue

The Seattle-Denver experiment, like the other income maintenance experiments, was not primarily designed to analyze family dissolution effects. One labor economist--whom HHS independently consulted on the family dissolution finding--stated that the experiments would have been designed differently if their primary objective had been to analyze family composition changes. Specificially, the economist suggested that

--the experimental period (3 to 5 years) was short, relative to the duration of marriages;

--Seattle and Denver may not be representative marriage markets; and

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1/Albert Rees, "The Labor Supply Results of the Experiment: A Summary," The New Jersey Income Maintenance Experiment, Volume II: Labor-Supply Responses, ed. Harold W. Watts and Albert Rees (New York: Academic Press, Inc., 1977), pages 5 and 31.

--the experiment's treatment was not designed to simulate a program in terms of its effects on marital choices. 1/

According to the SRI project leader, "* * * our experiment could have been designed better to get at marriage results * * * our whole selection of families, our whole selection process, was aimed at the labor supply results."

Results conflicted with economic theory and expectations

The Seattle-Denver experiment's high family dissolution rates are also puzzling because the rates were highest among families who received the lowest benefits. This contradicted economists' theory and expectations.

The lowest benefit levels in the experiment were closest to the existing welfare system (Aid to Families with Dependent Children (AFDC) and Food Stamp programs) support levels, so that existing welfare incentives for family splitups should not have significantly changed. That is, family dissolutions among low-benefit families, for the most part, should already have occurred.

SRI has developed and published a theoretical explanation for the family dissolution results. 2/ However, according to one economist--independently consulted by HHS--who analyzed the experiment's family stability results, "No theoretically convincing explanation for the results has been offered." 3/

Findings combined married and cohabiting couples

SRI based its family dissolution findings on analyses of both married and cohabiting couples. Two economists who assisted in the Seattle-Denver experiment's design and operation discussed the implications of this decision:

1/Harold Watts, "Report for Family Stability Workshop" (Feb. 21, 1978) N.P., page 1.

2/Groeneveld, L.P., Hannan, M.T., and Tuma, N.B. "A Model of the Effect of Income Maintenance on Rates of Marital Dissolution: Evidence from the Seattle and Denver Income Maintenance Experiments," SRI Research Memorandum 44, February 1977.

3/Glenn Cain, "Comments for Meeting of 2-17-78 with SRI on Marital Splits in Sime-Dime," Institute for Research on Poverty Memorandum, June 15, 1978, page 3.

> "* * * Generally, cohabitation unions are considered less stable than marital unions. One could further argue that if they are less stable, they may be more likely to be disturbed by a change in family circumstances such as the windfall of being included in an income maintenance program. If this is the case, it would also explain some of the reported SIME/DIME marital stability [results] relative to the other experiments." 1/

The Seattle-Denver experiment was the only income maintenance experiment with an explicit operating rule allowing cohabiting couples to be treated as families for benefit determination purposes. This decision created analytical problems specifically because of possible response differences between married and cohabiting couples.

Skepticism among experts

The economists and sociologists we consulted were generally skeptical about the applicability and significance of the Seattle-Denver experiment's family dissolution findings, as were the independent consultants with whom HHS consulted. HHS' contacts expressed considerable doubt about whether the findings could be generalized.

In February 1978, HHS sought independent consultation about the findings and convened a conference of economists, sociologists, and a statistician (plus HHS and SRI representatives).

The experts did not question the Seattle-Denver experiment's raw dissolution data--they generally agreed that a correlation existed between family dissolutions and the receipt of guaranteed income payments. They disagreed considerably, however, about the reasons for the high dissolution rates and their general meaning and applicability and no consensus was reached on these issues.

HHS, in its most recent (fiscal year 1979) policy research report, stated, "* * * the impact of income maintenance on marital stability is a complex phenomenon that continues to be poorly understood." HHS and SRI are continuing to analyze the results, and SRI's conclusions will be included in its final experiment report, due by the end of fiscal year 1981.

1/Gary Christopherson and David Kershaw, "Marital Instability Results in the Seattle and Denver Income Maintenance Experiments: Was the Deck Stacked?" N.P., N.D., page 57.

INFLUENCE ON POLICY AND EXISTING PROGRAMS

It is difficult to specifically determine all the broad policy effects the experiments may have had. It appears likely, however, that continuing 1970s support for income guarantee plans would have lessened, if experiment work reductions had been far higher than what occurred. It is also probable that if the experiments had not been done, essentially the same welfare reform agenda--issues and, for the most part, program approaches--would have emerged during the 1970s for congressional consideration.

The policymaking process is affected by several factors that are difficult to isolate. Notwithstanding, the evidence we reviewed suggests that President Nixon's FAP, which was introduced to the Congress before any reliable income maintenance experiment results were available, set the stage for the development of major welfare reform measures. This would include President Carter's initiatives.

The experiments, however, have had important and identifiable effects. First, the cost savings and efficiency value of certain administrative procedures were convincingly shown during the experiments and adopted in some existing programs. Second, experiment results were an essential input to HHS' development of an innovative mathematical model, now used to predict the costs and consequences of alternative programs.

Social research only one policy influence

Social research results are only one input to the complex and dynamic national policymaking process. According to one economist:

> "Research and policy are often uncomfortable as bedfellows * * * Perhaps the greatest source of incompatibility is in timing * * * Policy decisions have a time schedule of their own and research has time schedules as well. These schedules are often in serious conflict." 1/

Policymaking is not always a purely rational, empirically-based process. Although social experiments can influence the process, other factors can exert stronger influences. According to a 1979 National Research Council Report, "Evaluating Federal Support for Poverty Research":

1/James S. Coleman, "The Use of Social Science in the Development of Public Policy," N.P., 1979, page 1.

> "* * * Often knowledge is less determinative of policy outcomes than attitudes and values, and it is the latter which determines whether new knowledge will be used * * * clear connections between particular studies and specific outcomes will be rare and are hard to identify; more impressionistic evidence of sometimes-subtle shifts in the terms of policy debate may be the most one can find * * * The flow of policy-making is the result of many forces, only one of which is research * * *"

The experiments and welfare reform efforts

Early experiment results, for the most part, tended to provide support for--or at least not contradict--the views of guaranteed income advocates. However, available data we reviewed suggest that the FAP proposal, which was developed before any experiment findings were known, set the stage for the welfare reform debate of the 1970s. Since then, income guarantee proposals have moved more emphatically toward a jobs-oriented approach, a shift which appears to have resulted from practical considerations more compelling than the income maintenance experiments' results.

In 1967, when OEO decided to experiment, it had already (in 1965) unsuccessfully proposed a guaranteed income program. OEO submitted a modified, and also unsuccessful version in 1966.

About a year after the New Jersey experiment began, the FAP proposal was introduced in the Congress. According to one sociologist:

> "Since the New Jersey Experiment had been in the field for less than a year when the Nixon Administration decided to propose welfare reform, the experiment could not directly affect the development of FAP; however, the same intelligence and reasoning, supported by years of analysis, which contributed to the development of the experiment, contributed to the development of FAP * * *" 1/

Although FAP was defeated, it set important precedents. It was the first guaranteed income program ever sponsored by an Administration and introduced in the Congress, was twice approved by the House, and included both a work requirement and a public service employment provision.

1/Margaret E. Boeckmann, "Policy Impact of the New Jersey Income Maintenance Experiment," Policy Sciences, March 7, 1976, page 55.

FAP was the precursor of a series of guaranteed income welfare reform proposals (see app. IV). For example, in 1974 HHS (which had assumed responsibility for all the income maintenance experiments in 1973) developed the Income Supplement Program (ISP).

While early experiment findings were used to justify the ISP concept, the same findings do not seem to have predominated in the program's design. An HHS Technical Analysis Paper concluded that, based on the New Jersey and Rural experiments' results: "It is unlikely that the ISP would result in much work effort reduction * * * Indeed, popular concern about such an eventuality seems to have been much exaggerated." Nevertheless, HHS included a work requirement provision in ISP to reduce public and congressional concerns about possible program-induced work reductions.

Like FAP, ISP was not implemented; in fact, the proposal was not submitted to the Congress.

President Carter's 1977 PBJI was primarily developed by HHS with assistance from Labor. It combined income guarantees with work requirements and public service jobs. In November 1978 testimony before the Senate Subcommittee on Public Assistance, an HHS official stated:

> "First of all, with respect to work effort, the income maintenance experiments * * * have taught us a number of important lessons that bear directly on policy. Evidence from the experiments persuaded the administration not to propose the pure cash assistance program examined in all the experiments * * *"

A 1979 case study prepared by Harvard University's John Fitzgerald Kennedy School of Government attributes the program's public service jobs approach to Labor's insistence on it. The study--based on extensive interviews with responsible agency officials and their subsequent reviews of the study materials--describes the discussion between the two agencies as:

> "* * * a heated debate that emerged between HEW [Health, Education, and Welfare] and DOL [Department of Labor] over the viability of a large-scale, full-time jobs program * * * HEW staff were * * * opposed to a strong commitment to jobs * * * HEW felt it would be an extremely difficult administrative task * * * HEW favored the negative income tax because it extended universal treatment to the

> welfare population, with assistance based solely on family size and need." 1/

HHS' fiscal year 1978 Policy Research Report states that inclusion of the jobs component in PBJI was an application of knowledge gained from the experiments. The report refers to certain Seattle-Denver experiment results which HHS used in a cost simulation model developed in 1977 to estimate the nationwide costs and consequences of the Carter Administration's welfare reform plan. Simulations showed that work reductions of the magnitude of those reported in the Seattle-Denver experiment could account for as much as 27 percent of the net costs of the programs simulated. In other words, reductions in work effort would result in the need for increased cash assistance to a greater extent than had heretofore been anticipated.

The model's cost estimates provided planners with important information about the proposal's costs and likely social consequences. However, planners apparently had considered including a job component in the program before the model was developed. HHS model developers stated in a 1978 working paper that the model was:

> "* * * developed in direct response to Carter Administration welfare reform initiatives. Work on the model began soon after the Administration took office, when it became clear that a welfare reform plan that combined a cash component with a substantial public employment jobs component was under serious consideration." 2/

Experiments demonstrated improved recipient income reporting and accounting procedures

The income maintenance experiments tested new procedures for income reporting and accounting and showed that these techniques

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1/David Whitman, "The Carter Administration and Welfare Reform" (Sequel) (President and Fellows of Harvard College, 1979), pages 29 and 30.

2/David Betson, David Greenberg, and Richard Kasten, "A Simulation of the Program for Better Jobs and Income," Technical Analysis Paper No. 17, Office of Income Security Policy, Office of the Assistant Secretary for Planning and Evaluation, Department of Health, Education, and Welfare, January 1979, page 1.

can significantly increase welfare programs' equity and decrease their costs.

Social welfare programs like AFDC attempt to base eligibility and benefit level determinations on recipients' quarterly or semiannual predictions of future income and family composition. Recipients are required to report interim changes so benefits can be adjusted. In practice, however, according to HHS, few interim reports are filed and most States (AFDC is a State-administered program) do not comply with its minimum requirement for semiannual eligibility and benefit redeterminations.

The income maintenance experiments tested an alternative reporting method--participants were required to submit monthly reports on current family composition and prior months' income. The experiments' administrators used these data to determine eligibility and benefit levels. Thus, these determinations were based on relatively current, retrospective data instead of prospective estimates.

The experiments' results showed that monthly retrospective reporting was practical, and HHS used data from the New Jersey experiments to estimate that the technique could reduce existing AFDC overpayments by 10 to 16 percent.

HHS is testing monthly retrospective reporting in AFDC programs in Denver and Boulder Counties, Colorado. The Colorado Monthly Reporting experiment, initiated in 1976, is designed to validate and extend results from the income maintenance experiments and develop the administrative and data processing procedures for monthly retrospective reporting. Preliminary results indicate that national implementation of the reporting technique could reduce AFDC benefit payment costs by 4 percent and also reduce Medicaid and Food Stamp costs by reducing the number of ineligible AFDC recipients.

In 1980, HHS began a monthly reporting demonstration project in Michigan and was planning to begin similar projects in Illinois and Massachusetts. Earlier, in May 1979, HHS issued regulations encouraging States to implement monthly retrospective reporting. Several States now require monthly AFDC reports.

Monthly reporting requirements were included in recent welfare reform proposals, including PBJI and the Social Welfare Reform Amendments of 1979.

The income maintenance experiments also provided information on another social welfare program cost determinant--the accounting period used to determine eligibility and benefit level. In the income maintenance experiments, eligibility and benefit level determinations were based on a 12-month retrospective accounting period. The experiments' data showed that incomes of lower income families vary greatly from month to month. Thus, basing benefits on a longer accounting period would tend to decrease total program costs because families with only brief periods of low income would receive benefits more in line with their longer range incomes. Although this appears to be a conclusion HHS could have arrived at logically without the income maintenance experiments, the experiments provided the first empirical data on the monthly incomes of low-income families.

HHS included a longer accounting period in the PBJI proposal than was used in the AFDC and Food Stamp programs. PBJI, in addition to requiring monthly retrospective reporting, would have instituted a 6-month accounting period.

Experiment's results used in cost simulation model

The results of the Seattle-Denver experiment were also an important input to HHS' development of a simulation model to estimate the costs and effects of alternative welfare reform proposals. HHS used this model to estimate the costs and work incentive effects of both PBJI and the Social Welfare Reform Amendments of 1979.

The Seattle-Denver experiment's work incentive results are an essential component of the model. Cash assistance and jobs programs influence work decisions since both can affect participants' income levels. Work decisions, in turn, are an important component of program costs because decreased work effort increases program costs (benefits). HHS used the Seattle-Denver work incentive results to estimate PBJI's total costs and its work incentive effects. The simulation model's cost estimates were an important input to the congressional debate on PBJI in 1977 and 1978, and the model was used by the Congressional Budget Office and Labor to make cost projections. HHS also utilized the model to estimate the number of public service jobs PBJI would require.

In addition, the simulation model estimated the effects and costs of several different cash assistance programs. These simulations, based largely on the Seattle-Denver experiment's results, illustrated the effects various combinations of benefit levels and reduction rates would have on work incentives.

NEED FOR FURTHER EXPERIMENTATION

We believe that the issue--the need for further income maintenance experimentation--cannot now be fully or properly addressed because:

--HHS has not yet integrated, summarized, and reported on the experiments' collective results.

--The Federal Government does not have either (1) a system to formally identify and catalog potential user need for, and interest in, social experimentation or (2) a central information source about current or planned social research projects.

HHS officials and the technical experts with whom we discussed the issue expressed wide ranging and often contradictory views. HHS officials stated that they do not plan to conduct additional income maintenance experiments.

Experiment summary needed

In February 1980, an HHS official told us that although an overall summary of the results of the four income maintenance experiments could be useful, HHS had no plans for, and had not funded, such a project. In September 1980, however, HHS officials stated that HHS was still negotiating with SRI on the contents of the Seattle-Denver experiment final report (a multivolume summary due in fiscal year 1981), and it is possible the report will include a section summarizing the four experiments' results.

We believe that individual experiment summaries are important, but HHS should prepare a comprehensive and consolidated summary of the experiments' results because:

--They generated voluminous information about many diverse subjects.

--Future social research could benefit from the technical lessons learned from the income maintenance experiments.

According to SRI:

> "A large scale experiment which lasts for a few years is bound to generate a vast amount of information * * * when a large number of families are interviewed over three or five years, and each member of the family provides a complete economic record of his jobs, hours, wages, salaries, etc., then the (data) files will be enormous."

The experiments produced data not only on work reductions, but on over 20 other diverse behavioral responses.

We believe the experiments' results are an important information base about the poor and should be analyzed, summarized, and consolidated for implications and applications to the social welfare policymaking process.

We also believe HHS should summarize the lessons it has learned about: (1) the management and conduct of these unprecedented experiments and (2) the feasibility of social experimentation for addressing other research questions.

No system to identify information needs and ongoing research

We could not identify any formal system or procedures in the Federal Government for identifying and cataloging potential users' needs for, or interests in, the anticipated results of social research projects, such as the income maintenance experiments. Similarly, we were unable to identify any central Federal repository of social research information, although social policy research has become, during the past 15 years, an important field.

Since the income maintenance experiments began, for example, large-scale social experiments have been conducted by the Departments of Housing and Urban Development and Labor. The results from research activities like these also bear on the possible need for more income maintenance experiments. We believe that a central repository of such information would facilitate decisions about the need for, and conduct of, social research.

Two of our previous reports addressed social research and made recommendations which, as of December 1980, had not been adopted. In our report, "Social Research and Development of Limited Use To National Policymakers" (HRD-77-34, Apr. 4, 1977), we recommended that the Director, Office of Science and Technology Policy (OSTP) 1/ in close coordination with the Director, Office of Management and Budget, act to strengthen the central coordination of social research. We recommended that the OSTP Director develop:

--Alternative systems for policymakers to convey their social research needs to Federal research and development administrators.

--A method to coordinate knowledge development in priority areas in agencies and within and across Departments.

1/Established by the National Science and Technology Policy, Organization, and Priorities Act of 1976 to serve as a source of scientific and technological analysis and judgment for the President with respect to major Federal policies, plans, and programs.

Our recommendation to OSTP was made very shortly after it was created. Recently, an OSTP official told us that OSTP's efforts in the social research area have been minimal and that its activities are primarily focused on the physical sciences, engineering, and technology.

A later report, "U.S. Income Security System Needs Leadership, Policy and Effective Management" (HRD-80-33, Feb. 29, 1980) recommends that the Congress enact legislation to establish an independent national body, such as a National Commission on Income Security, to provide central system leadership. We suggested that this body:

--Be given specific authority to conduct and promote social research.

--Synthesize views about income security purposes, trends, needs, and constraints; study the results of and coordinate social experiments; conduct experiments where appropriate; and prepare alternative policy propositions.

We continue to believe that a central body could reduce existing gaps in information about (1) ongoing and planned research and (2) user needs for such research, and it could help assure consistent social research planning and management.

Views of technical experts and agency officials mixed

HHS officials and the technical experts we consulted expressed mixed views about the need to conduct more income maintenance experiments.

Mainly, OEO and HHS officials (former and current) told us that they believe further experimentation is unnecessary because

--the experiments met their objective to essentially measure the possible work reductions caused by various income guarantee plans and

--congressional interest has diminished in income maintenance reform plans, and in gathering additional data to evaluate such plans.

Among the technical experts we consulted those who favored further experimentation suggested specific topics, such as

--testing design feature variations of existing welfare programs;

--measuring the effects of income maintenance on senior citizens and workers at, or near retirement age; and

--further analyzing the effects of income guarantees on family stability.

Some of the technical experts who opposed further experimentation argued that nonexperimental research techniques, such as demonstrations or pilot projects, are cheaper and might provide more timely responses to whatever income maintenance research questions remain.

BACKGROUND DATA ON INCOME MAINTENANCE EXPERIMENTS

	New Jersey	Rural	Gary	Seattle-Denver
Sponsor	OEO	OEO	HEW, through Indiana Department of Public Welfare	HEW, through Washington Department of Public Assistance and Colorado State Department of Social Services
Locations	Trenton, Paterson, Passaic, and Jersey City, NJ, and Scranton, PA	Duplin County, NC, and Pocahantas and Calhoun Counties, IA	Gary, IN	Seattle, WA, and Denver, CO
Period of fieldwork	1968-72	1969-73	1971-74	a/1971-78
Experiment duration (years)	3	3	3	3(71%), 5(25%), and 20 (4%)
Final report issued	1973	1976	b/1977	1981 (estimated)
Principal contractors	Institute for Research on Poverty (IRP), and Mathematica Policy Research, Inc. (MPR)	IRP	Indiana University and MPR	SRI and MPR
Sample size (families)	1,357	809	1,799	4,800
Percent control families	40	54	43	43
Sample racial/ethnic composition (percent)	black - 37 white - 32 Hispanic - 31	black - 35 white - 65	black - 100	black - 43 white - 39 Hispanic - 18
Family types studied (percent)	Two-parent family (100)	Two parents (73), female-headed family (13), and families headed by male or female age 59 or older (14)	Two parents (41) and single parent (59)	Two parents (61) and single parent (39)
Benefit levels tested (percent of poverty line)	50, 75, 100, and 125	50, 75, and 100	77 and 101	90, 116, and 135
Benefit reduction rates tested (percent)	30, 50, and 70	30, 50, and 70	40 and 60	c/50, c/70, and c/80
Ancillary services	None	None	Day care subsidies and social service referrals	Manpower counseling and educational subsidies
Cost (millions)	$8.4	$5.5	$20.3	$76 (estimated through 9-30-80)

a/About 200 families were originally to receive experiment benefit payments through 1991. However, this portion of the sample was discontinued in 1980.

b/Report only summarizes first 2 years of experiment results.

c/Experiment tested four benefit reduction rates: two constant rates, 50 and 70 percent and two rates, 70 and 80 percent, which declined by 2.5 percent for each $1,000 of income.

LABOR SUPPLY AND FAMILY DISSOLUTION RESULTS

Hours Worked Per Week: Mean Differences Between Experimental and Control Groups

	Husbands		Wives		Female heads (note a)	
	Absolute difference	Percent difference (note b)	Absolute difference	Percent difference (note b)	Absolute difference	Percent difference (note b)
New Jersey:						
White	-1.9	-5.6	-1.4	-30.6	(c)	(c)
Black	.7	2.3	.1	2.2	(c)	(c)
Hispanic	-.2	-.7	-1.9	-55.4	(c)	(c)
Rural (nonfarm):						
North Carolina blacks	-2.9	-8.0	-5.2	-31.3	(c)	(c)
North Carolina whites	-2.1	-5.6	-2.2	-21.5	(c)	(c)
Iowa whites	-.5	-1.2	-1.2	-20.3	(c)	(c)
Seattle-Denver:						
All races	-1.8	-5.3	-2.1	-14.6	-2.6	-11.9
Gary:						
Black	-1.0	-2.9	.1	1.0	-1.9	-25.9

a/No female-headed families enrolled in New Jersey experiment; too few enrolled in Rural experiment for analysis.

b/Percentage differences calculated using control group as base.

c/Not applicable.

SOURCE: John D. Fisk and Dennis M. Roth, "Work Disincentives and Income Maintenance programs: Review of the Empirical Evidence," Congressional Research Service, Library of Congress, Congress of the United States, July 3, 1980, page 37.

Family Dissolutions in all Experiments
Ratio of Experimental to Control Family Splitups

	New Jersey	Rural	Gary	Seattle-Denver Ratio (sample size)		
	Ratio (sample size)	Ratio (sample size)	Ratio (sample size)	2-year results	3-year results	Third year only
Whites	a/1.09(246)	b/2.49(408)	(c)	1.85(1,480)	1.44(1,561)	a/.89(1,655)
Blacks	a/1.24(189)	b/1.58(208)	.78(643)	1.48(1,070)	1.48(1,123)	a/1.44(1,171)
Hispanics	a/2.22(153)	(c)	(c)	1.12(617)	1.06(646)	a/1.09(672)

a/Statistically insignificant.

b/Instability rates too small for meaningful interpretation; only 32 families split up during experiment.

c/Not applicable.

Source: Testimony of Robert Spiegelman, SRI, at Welfare Research and Experimentation Hearings, Subcommittee on Public Assistance, Committee on Finance, U.S. Senate, November 15, 1978.

Seattle-Denver Experiment Family Dissolution Percentages by Benefit Levels (note a)

Benefit levels (percent of poverty line)	Race-ethnic group (note b)		
	Black	White	Hispanic
90	+43	+63	+37
125	+73	+40	+6
140	+15	+18	-31
Number of cases	1,123	1,561	646

a/Estimates based on experiment's first 3 years, and they represent couples enrolled for 5 years when differences in family income as well as husband and wife characteristics are controlled. All couples married or cohabiting at any time during experiment are included in estimates.

b/Percentages reflect more (+) or less (-) splitups in treatment groups versus control group.

Source: Testimony of Henry Aaron, Assistant Secretary of HEW for Planning and Evaluation, at Welfare Research and Experimentation Hearings, Subcommittee on Public Assistance, Committee on Finance, U.S. Senate, November 18, 1978.

PARALLEL EVENTS--INCOME MAINTENANCE EXPERIMENTS AND MAJOR WELFARE REFORM PROPOSALS

Year	Experiments	Guaranteed Income Welfare Reform
1965		OEO proposes national anti-poverty plan to include $4.7 billion guaranteed income program
1966	OEO decides to conduct an income maintenance experiment; planning begins	OEO proposes revised income guarantee plan
1967	OEO signs contract with IRP, University of Wisconsin and MPR, Princeton, NJ, to design and conduct an income maintenance experiment	The Congress amends AFDC provisions to lower "benefit reduction rate" to 67 percent Work Incentive program implemented to promote employment of AFDC recipients
1968	OEO decides to conduct experiments in four New Jersey cities and first payments made to participants	President Johnson's Commission on Income Maintenance (Heineman Commission) established
1969	First payments made in Rural experiment, funded by OEO and conducted by IRP	President Nixon announces his guaranteed income welfare reform proposal, FAP, and presents it to the Congress
	HHS plans income maintenance experiments in Gary and Seattle	Heineman Commission releases final report recommending national guaranteed income program

Year	Experiments	Guaranteed Income Welfare Reform
1970	OEO releases preliminary New Jersey experiment report concluding that there was no evidence of significant work reductions	House passes FAP
		We testify in Senate that preliminary New Jersey experiment findings are premature and inconclusive
		New Jersey experiment researchers testify in Senate FAP hearings about preliminary New Jersey experiment findings
1971	HHS decides to add Denver as second site in Seattle experiment	Revised FAP reintroduced and passed in House
		FAP fails to be approved by Senate
	First payment made in Gary experiment, conducted by Indiana University--Northwest and Mathematica	Congresswoman Martha Griffith's Subcommittee on Fiscal Policy of Joint Economics Committee, begins comprehensive "Studies in Public Welfare"
1972	New Jersey experiment fieldwork ends	Revised FAP fails to be approved by the Senate
1973	HHS releases final New Jersey experiment report; work reductions described as "quite small"	
	HHS assumes responsibility for OEO-sponsored income maintenance experiments	
	Rural experiment fieldwork ends	

Year	Experiments	Guaranteed Income Welfare Reform
1974	Gary experiment fieldwork ends	"Studies in Welfare Reform" conclude and result in unsuccessful Tax Credit and Allowances Act, a guaranteed income proposal
	Preliminary data on Seattle-Denver experiment family stability effects reported by SRI to HHS	HHS develops ISP, a guaranteed income plan designed partially in consideration of the income maintenance experiments, but not presented to the Congress
1975		Tax Credit and Allowances Act reproposed and again defeated
1976	Seattle-Denver experiment fieldwork ends	
	HHS releases final report on Rural experiment; many results "resemble closely" those of New Jersey experiment	
	Seattle-Denver experiment researchers issue "The Impact of Income Maintenance on the Making and Breaking of Marital Unions: Interim Report"	
1977	Gary experiment contractor releases "Summary of Initial Findings"; results "much the same" as New Jersey and Rural experiments' results	Tax Credit and Allowances Act reintroduced in the Congress and defeated President Carter's guaranteed income reform proposal, the Better Jobs and Income Act, presented to the Congress

Year	Experiments	Guaranteed Income Welfare Reform
1978	HHS releases report on interim work incentive results of Seattle-Denver experiment; results "closely resemble" those of three earlier experiments	House Welfare Reform Subcommittee approves revised version of President Carter's 1977 welfare reform bill
	HHS Seattle-Denver Experiment interim report states that "moderate" work reductions have "important implications" for welfare reform program costs	Welfare Reform Act of 1978 proposed in House as substitute for President Carter's bill; guaranteed income provision retained
1978	HHS convenes experts to discuss Seattle-Denver experiment high preliminary family instability findings	Job Opportunities and Family Security Act of 1978 proposed in Senate as substitute for President Carter's welfare reform bill
		The Congress adjourns without acting on any of the pending welfare reform proposals
		Senator Daniel P. Moynihan, Chairman, Subcommittee on Public Assistance, Committee on Finance, holds hearings on welfare research and experimentation; family stability findings are highlighted
1979	Gary experiment contractor submits final results to HHS	President Carter introduces Social Welfare Amendments of 1979, an income guarantee proposal, to the Congress
		House passes Social Welfare Reform Amendments of 1979
		Senator Moynihan requests us to review the income maintenance experiments and their uses
1980		

LIST OF THE STATISTICIAN,

ECONOMISTS, AND SOCIOLOGISTS WE CONSULTED

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington D.C. 20201

Mr. Gregory J. Ahart
Director, Human Resources
Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report entitled, "Income Maintenance Experiments: Need to Summarize Results and Communicate the Lessons Learned." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

Richard B. Lowe III
Acting Inspector General

Enclosure

GAO note: The page references in this appendix may not correspond to the page numbers in the final report.

HHS' COMMENTS--AND GAO'S RESPONSES--TO THE DRAFT REPORT

General comments: "We find the report particularly thoughtful, well researched, and sensitive to the basic intellectual issues underlying the Income Maintenance Experiments. We commend the GAO on its general recognition of the need for the experiments, their role in the policy debate and the general soundness in the design and analysis. We recognize certain management weaknesses that the report points out which occurred during the course of the experiments. We are in general agreement with the findings with respect to the disclosure of the marital stability results, but disagree with the relative emphasis placed on the reasons governing those events.

"Finally, we concur with both of the GAO recommendations and are already taking steps to insure widespread dissemination of the findings. The following comments relate to specific findings contained in the report:

> "--We concur with the findings that there were inadequate mechanisms in place for the release and dissemination of reports, particularly Departmentally-prepared ones. This finding should not be construed to mean that few reports, at all, were prepared. An extensive set of research reports, memoranda, and articles have been prepared and released by the various contractors to the experiments. These now total close to one hundred. While many of these reports are highly technical in nature; they have at least imparted a large amount of information to policy and academic professionals in the income maintenance area. In a research effort of this magnitude, HHS does not have the staff available to disseminate government-prepared summaries on all topics contained in the research. Of necessity, considerable reliance must be placed on contractor or scholarly dissemination channels."

GAO response: Our report recognizes the extensive amount of technical data prepared and released over the years by the experiments' contractors. We characterize (see app. I, p. 14) contractor publications as "important dissemination devices." We believe, however, that an agency sponsoring social research ultimately is responsible for ensuring--with formal procedures and plans--that results receive widespread dissemination and that potentially important results are disseminated not only to policymakers and academicians, but to the widest possible audience.

HHS comment: "We disagree with the emphasis found in the subsection entitled 'No Comprehensive Plan Coordinating the Experiments' (pages 18 to 20). In terms of this Departments' role in the experiments, the Gary and Seattle/Denver projects were infiuenced by and grew out of the OEO-run New Jersey and rural experiments. HEW staff designed SIME/DIME and Gary based on recommendations made by the OEO contractor, the Institute for Research on Poverty. 1/ An advisory committee made up of representatives from HEW, OEO and the Poverty Institute, reviewed the initial plans and implementation. HEW design papers were sent to OEO staff for review. This effort is reflected in several features of the HEW-HHS projects:

"1. The research emphasis comparing income maintenance to social services in Gary and income maintenance to manpower training in SIME/DIME were specific recommendations growing out of the OEO projects.

2. The decisions to include 5 year and 20 year samples in SIME/DIME and to collect continuous labor market data and to have controls file income report forms in both projects were the direct result of perceived weaknesses in the earlier experiments.

3. Finally, an effort is now under way to produce a direct comparison of the results from all the experiments.

While it is true that no 'grand design' preceeded the experiments; it is equally true that adherence to any grand design is probably impractical and tends to inhibit healthy evolution in the research agenda over time."

GAO response: We recognize that the OEO experiments may have influenced the design of the HHS experiments, but believe (app. I, pp. 11 and 12) comprehensive planning at the onset might have helped reduce certain inconsistencies in the experiments and helped increase the overall usefulness of experiment results.

HHS comment: "We disagree with the statement (page 20) that there were 'no guidelines or procedures for monitoring of the experiments.' All Departmental grants or contracts are under the supervision of a project officer and contain requirements for periodic financial and program reports (generally quarterly). These should be, and were, supplemented by telephone discussions and face-to-face meetings. In addition, HHS staff conducted annual in-depth

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1/"Much of this work was eventually published in Hollister, Orr and Lefcowitz; Income Maintenance: Interdisciplinary Approaches to Research; Markham Press, 1971" reviews of contractor research agendas. Finally, a contractor (the Urban Institute) was secured to provide technical monitoring of both sites and research contractors."

GAO response: The report statements (which we have further clarified) address oversight or monitoring by agency personnel of the technical experiment functions. We could find no procedures or guidelines--and this was confirmed in our interviews with "front line" project officials--for the technical monitoring function. In followup interviews, we were told that the Urban Institute contract, which HHS' response refers to, was in effect only from 1970 to 1974. We did not attempt to assess the quality or outcome of this contract, or the contractor's role in relationship to agency technical monitoring responsibilities, but believe that such third-party monitoring, in and of itself, would not have eradicated HHS' need to establish and equip its responsible personnel with formal technical monitoring guidelines and procedures.

HHS comment: "Page 8 of the transmittal letter to Senator Moynihan contains the statement, 'We believe HHS was tardy and incomplete in disclosing these findings, (reference is to family dissolution findings) but we attribute this to project management weaknesses.' We believe this statement is unfairly narrow and not fully supported by the back up discussion on pages 25-31 and 35-39 of the report. As is shown on pages 35-39, the family dissolution results were contrary to theory and difficult to interpret. Project staff asked for review and re-analysis in an effort to clarify this ambiguity. This additional work was a significant factor in the overall reporting delay--but these actions were also those of responsible research managers. The text on page 26 argues that high level Departmental officials were not informed of family dissolution findings in 1974 because '* * * no procedures existed to routinely inform high-level HHS officials of income maintenance experiments results, and lower-level HHS personnel monitoring the experiment were unsure of the findings' significance.' We believe that the latter concern was the dominant one and that the presence or absence of a reporting channel was of little consequence. In simplest terms, the issue is, 'when is a finding a finding?' The contractor, SRI, first reported preliminary family dissolution findings to the project staff in 1974 as part of a normal 'progress' report. At that time, the contractor's principal investigator expressed a very low level of confidence in the results and recommended that a further more sophisticated piece of analysis be undertaken to account for an hypothesized bias in the first analysis. SRI, as a matter of fact, never published the original 1974 analysis. As noted, this subsequent analysis was not completed until the latter half of 1976. At a minimum, we do not believe that any kind of action can be taken with respect to a research result until the contractor is willing to stand behind it. Our more general experience is that preliminary findings frequently change radically before they are deemed final.

A general practice of passing on all preliminary findings to upper-level officials would create more problems than it solved."

GAO response: In its general comments (see p. 55), HHS states its "general agreement" with our findings about the marital results disclosure matter, but disagreement about the relative emphasis placed on the reasons governing the events. We believe the report accurately and fairly characterizes the surrounding events. Although we agree that the family stability findings, on the surface, were questionable, we do not agree that the admitted lack of internal reporting procedures was of "little consequence." Quite the opposite, we believe procedures (including criteria) were needed to ensure that such potentially significant findings were brought to the attention of HHS policymakers early. We do not necessarily agree with HHS--particularly in the case of the experiments--that passing on all major, although preliminary, findings to upper level officials might have created more problems than solutions, given the vigorous, pervasive "welfare reform" environment which existed throughout the 1970s.

HHS comment: "More recent research results do not support the preliminary research results reported by GAO (page 46) on the effects of monthly retrospective reporting. Recent research suggests the savings (before offsetting administrative cost increases) would amount to about 4 percent of AFDC benefit outlays. This would not translate into an $800 million national savings because some form of these policies are already in place in more than ten states."

GAO response: The report has been revised to reflect more recent research results.

HHS comment: "(In response to the following report recommendation: The four experiments' results should, '* * * be summarized in layman's terms, and distributed to all interested and affected Federal legislators and executive branch program managers.') Current Department plans call for a multivolume final report for the last of the experiments, the Seattle/Denver Experiment. Though originally intended as a seven volume report, the decision was made last summer--precisely for the concerns raised in the report--to distill the major findings into a two volume report readable by a wide audience. The report will also include an executive summary and an extensive technical appendix. Volume I will summarize the history, design, implementation and major findings of the experiment. Volume II will document the administration of the experiment. The scope of work for this volume requires that it be 'at a sufficient level of technical sophistication and detail (to) satisfy the most exacting members of the research community, while its scope, style, and clarity of presentation would serve to disseminate the results of this ten year research effort to the widest public policy audience. In order to assure that technical precision is not lost, and that the more subtle differences in the findings remain accessible as well, extensive amounts of analytic work--produced as reports and research memoranda--will be published in the appendix and carefully cited in Volume I. The Department will procure special editorial assistance to make these highly technical findings readable by a lay audience. In addition, a review panel of independent experts is being assembled to monitor the overall technical quality of the report. The Department is in sympathy with the idea (expressed on pages 50 and 51 of the GAO report) concerning summaries of the four experiments but believes that across-experiment comparison would be far more useful at this point than a redigest of existing summaries. Consequently, Volume I will contain a cross-experiment comparison.

"Finally, in the spirit of making the experimental results available to the widest audience, HHS is further committed to encouraging research by scholars of a wide range of disciplines using data generated by the experiments. HHS has sponsored the production of several public use data tapes and plans further assistance to assure the maintenance of these tape systems."

GAO response: We believe HHS' plan to summarize the final experiments' results and develop an overall cross-experiment comparison is in substantial agreement with our recommendation. However, we encourage HHS to prepare its analytic, comparative summary in a comprehensive way, that is, to consider and consolidate all experiments' results and not necessarily only those of the Seattle-Denver project. We believe HHS' planned efforts will provide an opportunity for maximizing and encouraging widespread use of these important social research results.

HHS comment: "(In response to the following recommendation: Lessons learned about the conduct of experiments should * * * 'be summarized and shared with such agencies as the Department of Labor, Housing and Urban Development, Agriculture, and others planning or likely to conduct related research projects.') The plan for the Seattle/Denver Final report, outlined above, includes also the production of an entire separate volume, Volume II, devoted to the administration of the experiment including discussions of organization and costs, sampling and sample control, enrollment, rules of operation, survey design and administration, and auditing and accounting issues.

"We are committed to the need to communicate issues of how to or whether to undertake similar experiments, demonstrations, or administrative changes, to both future experimenters and to local administrators, and have therefore retained these separate volumes for the purpose suggested by the recommendation."

GAO response: Again, we find HHS' plan in substantial agreement with our recommendation. However, we still encourage HHS to spread its net more broadly than just the Seattle-Denver project--which admittedly was the largest, most sophisticated experiment--and to include lessons learned from the earlier efforts. We believe there are important operational contrasts among the experiments which other social research planners, experimenters, and end-users can learn from and build upon.

U. S. Department of Labor
Inspector General

Mr. Gregory J. Ahart
Director
Human Resources Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

This is in reply to your letter to Secretary Marshall, requesting comments on the draft GAO report entitled, "Income Maintenance Experiments: Need to Summarize Results and Communicate the Lessons Learned" (Draft Report, General Accounting Office, December, 1980).

The Department's response is enclosed.

The Department appreciated the opportunity to comment on this report.

Sincerely,

Ronald Goldstock
Acting Inspector General

Enclosure

GAO note: The page references in this appendix may not correspond to the page numbers in the final report.

LABOR'S COMMENTS--AND GAO'S RESPONSES--TO THE GAO DRAFT REPORT

General comments: "Overall, we find this to be a useful and balanced review of the experiments and the utilization and dissemination of their findings. We are in strong agreement with the findings that the experiments represent an important contribution to social research, that the major design decisions were reasonable, and that the work response findings, which were the major research objective of the experiments, were as accurate as could be expected, while recognizing the validity of most of the qualifications to these overall assessments noted in the report.

"We also concur in the recommendations to the Secretary of HHS that an overall summary of the results and lessons learned from the four experiments, both technical and operational, should be prepared and disseminated to other interested agencies. It is our understanding that HHS is currently planning such a summary, as part of the final analysis of the Seattle-Denver Experiment. While we agree in principle with the recommendations for advance identification of end-users and user needs, project monitoring procedures and assessment standards, and dissemination of results, we are somewhat skeptical that these issues can ever be fully addressed a priori, given the unusually long life and complexity of projects of this type. Moreover, it is not clear that omissions or failures in these regards had any serious effect on the utility of these experiments for the policy process in either the executive or legislative branch.

"Finally, for the reasons detailed below, we see only limited value, and some potentially serious risk in the recommended independent coordinating agency for experimentation and social research.

"The following are detailed comments on those areas of the report where we believe the draft report could be improved."

Impact On Welfare Reform Policy

"Although the text of the draft report (p. 43) includes a statement from an HHS official that 'evidence from the experiments persuaded the administration not to propose a pure cash assistance program' for its welfare reform program, the summary of the experiments influence on policy on page 39 of the draft transmittal letter, and the draft report on pages 40 and 42, do not adequately highlight this important policy impact. In contrast to eariler welfare reform proposals (e.g., FAP or ISP) which were essentially cash assistance income guarantee type proposals, the Carter administration proposed a combined cash and jobs approach whose main thrust was to emphasize the provision of job and training opportunities as the primary means of providing income assistance to employable heads of families with children. The emphasis on a jobs approach was made in the light of findings from the experiments which showed that while reductions in work effort from a cash only approach may not be large in absolute percentage terms, the dollar costs of such reductions were large. While the Carter administration policy makers may have been inclined to support a jobs approach absent such a finding, the evidence substantially reinforced this policy direction. As Secretary Califano stated on the first day of the House hearings on the Program for Better Jobs and Income, 'one of the things we learned (from the experiments) is that you must have a jobs program accompanying a cash assistance program.'"

GAO response: We disagree that the report does not adequately highlight the experiments' policy impacts. First, the report states (see app. I, p. 24) that experiment results may have provided certain impetus for continuing 1970s efforts to adopt income guarantee alternatives, because reported work reductions were not as high as predicted. Second, the report points out that the decision to include a jobs component in President Carter's welfare reform proposal apparently was influenced more strongly by factors other than the experiments. Third, notwithstanding this, the report discusses (see app. I, pp. 23, 25, 26, and 29) that experiment results served to underpin and convincingly reinforce the inclusion of a substantial jobs component in the President's welfare reform proposal.

Labor comment: "'Coordinating' agencies for experimentation and policy research. A major recommendation of the report is that the Office of Science and Technology Policy (OSTP) 'strengthen the central coordination of social research.' (p. 53) In particular, the report recommends that OSTP devise a method to coordinate knowledge development in priority areas across agencies, with Departments and across Departments.' (p. 53) Also along this line, the report repeats an earlier GAO recommendation to establish an independent national body to provide 'central system leadership' in conducting and promoting social research, conducting, studying, and coordinating social experiments, and preparing alternative 'policy propositions.' This independent agency could 'reduce existing gaps in information about (1) ongoing and planned research, and (2) user needs for such research; and could help assure consistent social research planning and management.' (p. 54)

"While these proposed agencies might provide a useful service as a central repository of information about social research and social experimentation, it is highly unlikely that the agencies could be very helpful in coordinating or conducting publicly funded social research. The 'coordinating' role suggests that at least one of the agencies would have review authority--and possibly veto authority--over the research, evaluation, and experimentation plans of cabinet-level agencies. The Office of Management and Budget (OMB) and Congressional committees already possess this authority by virtue of their role in recommending or approving funds for policy research. Officials in cabinet-level agencies, reviewing officials in OMB, staff to Congressional committees, and Congressman on relevant Congressional committees are intimately knowledgeable about policy questions where research and experimentation would be helpful and, moreover, are generally well informed concerning the cost and direction of relevant policy research projects--like social experiments--that are being planned or are already in operation. The impetus to perform social experiments frequently comes from within the cabinet-level agency where the research results would be most relevant, for example, HHS, DOL, or HUD. It is highly doubtful that any outside agency, even one that possesses the mandate to conduct and coordinate policy research and experiments, would suggest, design, approve, or execute research in as timely and relevant a fashion as the agencies that possess the mandate to design and execute social policies. Furthermore, GAO's suggested independent agency could stifle (and would certainly delay) needed experimentation, since the agency would constitute an additional layer of bureaucratic review and approval which would be needed before experiments could begin. If social experimentation is a desirable method of testing policy alternatives, the proposed independent agency does not seem to be a reasonable way to help experiments flourish.

"It might be suggested that an independent 'coordinating' agency would help to improve the technical quality of experiments actually undertaken. For example, if the independent agency possesses a repository of information about past social experiments it could suggest (or require) improvements in proposed experimental designs so that future experiments avoid mistakes made in prior experimental designs. However, it is easy to exaggerate the amount of improvement that actually would occur. All major social experiments of which we are aware--including the negative income tax experiments--have been designed (and evaluated) using the best minds in statistics, econometrics, and policy making. These scientists and policy makers have good knowledge about past successes and failures in experimental design and evaluation, and their own design and evaluation work reflects this knowledge. We are skeptical that the independent 'coordinating' agency could obtain the assistance of superior social scientists or thinkers, and we think it quite likely that the agency would attempt to police experiments so as to impose undesirable standardization in approved experimental design and evaluation plans."

GAO response: Labor's references to OSTP and to our belief in the need for central income security system leadership stem from the report's discussion (see app. I, pp. 30 and 31) of our past work on social research. The recommendations which Labor cites were integral to these earlier reports and are not--as Labor characterizes them--the major recommendations (see letter, p. 7) of the subject income maintenance experiments' study.

As the report points out (see app I, p. 30), our recommendation to OSTP was made shortly after its creation (1976). OSTP's activities, however, later evolved to its current focus on the physical sciences, engineering, and technology, with minimal involvement in the social research area.

Our earlier recommendation to establish an independent national body--such as a National Income Security Commission--was based on our study "U.S. Income Security System Needs Leadership, Policy, and Effective Management." 1/ This study--an entirely relevant, yet far broader treatise than the income maintenance experiments' study--analyzed the entire range of U.S. income security programs, which was about 50 percent of the Federal budget in 1979.

Based upon extensive research, the study concluded the best way to bring about needed changes in the system's policymaking, management, and evaluation was through an independent national body, dedicated to helping the Congress and executive branch meet their program responsibilities. The report suggested certain major objectives for the recommended body, one of which was to address the need for a comprehensive national income security policy. Such an objective appropriately might involve, among other things, studying the results of, coordinating, and conducting, where appropriate, social research activities.

Although broad goals and functions were suggested, the report recommended that the Congress determine--with the assistance of the executive branch and other experts and affected organizations--the recommended body's specific goals, authorities, functions, jurisdiction, and so forth. Thus, we believe Labor's concerns at this time about such a body's functions and responsibilities with respect to the social research area are conjectural and should be formulated and stated in response to a specific congressional blueprint for such a body.

1/(HRD-80-33, Feb. 29, 1980).

Finally, for reasons stated in this report (see app. I, pp. 30 and 31), we believe a central body could reduce existing information gaps about ongoing and planned research and user needs for such research. Currently, there is no central repository of social research information, although social policy research in the United States has become, over the past 15 years, an increasingly important field.

Labor comment: "Dissemination Of Research Findings. The report criticizes HHS for the Department's procedures with respect to informing prospective users, policy-makers, and others outside HHS of the experiments' findings. In particular, HHS procedures were found to result in 'untimely reports and haphazard reporting practices.' (p. 21) It is not very well demonstrated anywhere in the report that NIT (negative income tax) results were reported in an 'untimely' fashion. On the contrary, the evidence suggests that major conclusions from the NIT experiments were extremely timely with respect to policy making, since the results from all four NIT experiments were just becoming available as the Administration and Congress began major deliberations on reforming the welfare system in 1977-the first such legislation initiative in the area since the failure of the Family Assistance Plan in 1972. It might be argued that the major results were delayed, since they were not obtained for some time after field operations had been substantially completed. However, even this claim is not very well supported in the report, since the report provides no evidence about how lengthy the evaluation process ought to be."

GAO response: In its comments on the draft report, HHS concurred with our findings that there were inadequate mechanisms in place for the release and dissemination of reports, particularly departmentally prepared reports. Beyond this, we believe (see app. I, pp. 12 to 18) that report statements support a conclusion that reporting practices were inconsistent and haphazard.

Regarding the question of timeliness relative to 1977 welfare reform initiatives, we did not find that HHS' report issuance or results dissemination decisions were based upon, or triggered by, the general need for information with which to assess 1977 welfare reform initiatives. In fact, the opposite (see app. I, p. 15), involving HHS' possible nondisclosure of marital dissolution results, was alleged to have occurred by the Chairman of the Senate Finance Committee's Subcommittee on Public Assistance and others.

Finally, we question Labor's attempt to distinguish, in its comments, between the words "delayed" and "untimely"--with respect to HHS' reporting practices--in that both characterizations seem valid. We believe, for example, there is ample basis to question the timeliness of HHS' 1978 interim summary of Seattle-Denver results, which was not produced and issued until nearly 5 years after relevant fieldwork was completed.

Labor comment: "The report also suggests that reporting procedures were 'haphazard.' The report tends to concentrate on official HEW publications, as though such publications could or should represent the principal vehicle for disseminating research results (see pp. 52 - 54). It seems doubtful that these official reports have provided the basis for the very wide knowledge of the experiments that exists among interested policy makers and social scientists. It is more likely that newspaper and magazine articles, special conferences, and papers in scholarly journals or lectures at learned societies have provided the most important forums for disseminating information about the experiments. This is, in fact, the way most major research results find their way into the public arena, and it is our strong impression that HHS has an excellent record of encouraging the dissemination of results by its research contractors within the professional and policy communities. By, their nature, these forms of dissemination may seem 'haphazard'; they are certainly often beyond the direct control of the sponsoring agency. Yet it is not clear that better agency 'planning' or closer government control over the schedule and form of dissemination is particularly desirable when experimental results can be ambiguous, controversial, or simply untidy. And it is far from clear that it is desirable to rely entirely on government-prepared reports to disseminate controversial results from social experiments."

GAO response: As Labor indicates, the report's findings and conclusions about needed improvements focus on HHS' reporting practices. The report also points out that, for certain audiences--such as academicians and readers of scholarly journals--contractor publications have proven to be "important dissemination devices."

We believe, however, that an agency sponsoring social research is responsible for ensuring--with formal plans and procedures--that results receive widespread dissemination and that potentially significant results are brought to the attention not only of academicians and readers of scholarly journals, but also policymakers, decisionmakers, and others.

Labor comment:

"Technical comment. The draft report contains a serious technical error on pp. 14 - 15, where the report's authors state that the 'experiments' assignment approach * * * was not random, thus reducing the statistical reliability of the work disincentive effect result * * *.' We strongly suggest that GAO rewrite or eliminate the last two paragraphs on p. 15, which are incorrect as well as highly misleading. The two preceding paragraphs contain an accurate description of the way the NIT experiments' samples were designed. A stratified random sampling scheme was used in which low-income families were disproportionately assigned to low-generosity plans in order to maximize the amount of useful information that could be obtained with a given budget. It is accurate to say that this procedure was probably not as valuable as the original designers thought, and that the procedure complicated the subsequent analysis. It is wrong to say that the resulting assignment was 'not random.' The assignment was entirely random: A family selected for inclusion in the sample was randomly assigned to one of a variety of experimental NIT plans or to control status. The experimental findings based on such a sample will be statistically reliable if the assignment model is taken into account in estimation. Contrary to the claim on the bottom of p. 15 that statistical reliability was harmed by this sampling procedure, statistical reliability was actually improved by the scheme, in the sense that the precision of the estimates was better than it would have been under a different sampling scheme that could have been funded with the same budget. (Incidentally, that quotation on the bottom of page 15 does not refer to advantages or disadvantages of the experimental assignment model. It merely suggests that even with optimal sample design, an experiment may not generate statistically reliable findings. In the case of the experiment referred to--the Rural NIT Experiment--the lack of statistical precision is attributable to small sample size--i.e., to a small budget -- not to poor sample design.)"

GAO response: Several author/analysts, including SRI experiment researchers (see SRI research memorandum 57, Nov. 1978), also have defined the experiment's assignment approach as "not random." However, we agree that for technical clarity the report's text should be revised to more precisely distinguish between a "stratified random" sample, which was the sampling approach used, and a "simple random" sample, which is the more commonly perceived reference when the words "random" and "not random" are used. The report's text now discusses results' utilization implications of the assignment approach used, recognizing that experimenters were aiming to maximize--within their budget constraints--both sample sizes and the quantity of useful observations which could be drawn. Also, because of its interpretive nature, the cited quotation has been deleted.

Community WASHINGTON D C 20506
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Dear Mr. Ahart:

Thank you for the opportunity to comment upon the GAO Report "Income Maintenance Experimentation: Need to Summarize Results and Communicate the Lessons Learned."

[The full text of CSA's comments--and GAO's responses--follows on p. 70]

Again, CSA wishes to thank the GAO for the opportunity for commenting on the draft report.

Sincerely,

William W. Allen for
Richard J. Rios
Director

Attachment

[Attachment included on p. 74]

GAO note: The page references in this appendix may not correspond to the page numbers in the final report.

CSA'S COMMENTS--AND GAO'S RESPONSES--ON THE DRAFT GAO REPORT

General comment: "We read the report with much interest, and have some comments to share with you. Throughout the text there appears to be only grudging praise for the pioneering social research which was undertaken by OEO in the New Jersey Income Maintenance Experiment. No mention was made of the extensive debate between Congressional Committees and the Executive Branch on the need and budget for the Experiment. The arduous task of negotiating the budget for the Experiment was in large part what established the major set of constraints on its scope. The concerns over sample size and types, as well as limited population coverage, can all be traced back to the budget available to do the job. The report presents a distorted view that the study considered "only" that which was ultimately undertaken. Significant congressional participation in the budget issue in large measure dictated what the scope of the New Jersey and later experiments was to be. Senior budget officials in both the legislative and executive branches of government must share the responsibility of the limitations of ultimate outcomes of the experiments.

"During the planning and initial execution phase of the experiments there was some jurisdictional turbulence between agencies and between committees on the Hill. GAO needs to document better these issues in the interest of accuracy and clarity. We would also like to comment on a few specific areas of the report.

"1. We wholeheartedly agree with the GAO's criticism of a lack of initial coordination of the experiments, noted above, and with absence of a detailed project dissemination plan by OEO.

"2. However, we do not agree that likely end-users were 'not consulted or otherwise involved in the various planning stages.' Again, we must review the history of OEO's Research Program, Planning and Evaluation (RPP&E), later, Planning, Research and Evaluation (PRE) organizations. As the 'command post' of anti-poverty activity, OEO was to be one if not the main-user of the New Jersey and Rural Experiments. Extensive discussion among social research agencies' officials, members of the academic community and sub-community of the legislative branch were conducted in these early years. As the prime policy user of the experiments, OEO had ongoing working relationships with the Hill in the planning and execution of the experiments. Just when results were becoming apparent, the PRE section of the OEO was dismantled and delegated to HEW/ASPE. It is at this juncture that we begin to see a flaw in the coordination and policy

> user coordination mechanisms, through no special fault of HHS. A review of program delegation mechanisms and resources availability of receiving agencies is proper in order to understand fully the events of succeeding years.

It would be appropriate for GAO to review the National Academy of Sciences/National Research Council's report on the Study Project on Social Research and Development, 'The Federal Investment in Knowledge of Social Problems.' In this report, and subsequent volumes, there is extensive discussion on the funding of social knowledge production and application and knowledge and policy linkages to/in agencies which conduct social research for their own use and for third parties."

GAO response: We disagree that the report only "grudgingly" praises the pioneering nature of the income maintenance experiments. In fact, the report concludes (see letter, p. 4 that the experiments represent an important contribution to the social research field and an important knowledge base for other social research planners, experimenters, and end-users.

We agree that budgetary realities--which is the case generally with Federal activities--largely circumscribed the scopes of the experiments. We disagree, however, that because our examination of the experiments and what was undertaken may not consider all of what may have been proposed initially to be undertaken, that our study presents a distorted view. To the contrary, our report is sensitive to the unprecedented nature of the experiments; is balanced with historical, technical, managerial, and topical perspectives about the experiments; and is primarily aimed at identifying strengths, weaknesses, and lessons learned for future planners, experimenters, and end-users to learn from and build upon.

We do not believe that CSA's comments about initial planning discussions among social research agencies' officials and other unspecified parties conflict with the report's statements (see app. I, pp. 10 to 12) about the overall planning-for-utilization area. Rather, CSA's comments substantiate the report statement that informal communication about user interests (outside OEO and HHS) may well have occurred during the experiments' initial phases. CSA's comments also suggest possible breakdowns in whatever communications and relationships had developed, upon transfer of project management responsibilities to HHS. Notwithstanding, we continue to believe that although prospective users and their interests are difficult to forecast, initial and continuing attempts should have been made to determine what information was needed, when it may have been needed, and in what formats, and to systematically and formally solicit congressional and other users' views about how to meet such information needs.

CSA comment: "3. The extensive attention to the family dissolution results in the Seattle-Denver project makes more out of the findings than they warrant. GAO reports these as 'conclusive' findings. HHS nas never asserted this evidence to be conclusive or more than an artifact of the design. Insufficient attention may have been given to these unusual findings. However, based on the GAO report itself, it is still not possible to say these results were conclusive."

GAO response: The report concludes overall that the marital stability findings--only substantively uncovered in the Seattle-Denver projects--are of questionable applicability and are still undergoing analysis. We agree, however, that the report's use of the term "conclusive" in reference to the Seattle-Denver findings might lead to a misconstruction of meaning. Thus, where appropriate, we have substituted the terms "substantively uncovered." As the report points out (see app. I, p. 22), knowledgeable experts did not question the Seattle-Denver's raw family dissolution data, but did question the applicability of the findings.

We disagree with CSA that the report discusses too extensively the family dissolution results. These results, admittedly questionable, are potentially significant and critically relevant to longstanding and fundamental welfare reform policy premises.

CSA comment: "4. CSA agrees with GAO on the need for integrated summaries, both technical and lay on the Experiments' collective results. These constituted significant social research and should be broadly disseminated. There is still much behavioral data which need analyses and exposition. A complete report on all variables may not be possible at this time. But conclusions on what has been analyzed should be drawn and reported and further analyses and reports be completed.

"5. We earnestly disagree with the proposal that an independent national body be established to do continued research, followup studies and data dissemination. Instead, the Office of Science and Technology Policy (OSTP) should be mandated to include Social Research and Development within its ongoing agenda. Such a move was undertaken by the predecessor of OSTP, the Science and Technology Policy Office, the Science Advisor's staff, in 1975. In 1976, the predecessor of the OSTP's Federal Coordinating Council on Science, Engineering and Technology (FCCSET), the Federal Council on Science and Technology (FCST) adopted a Senior Level Task Force Report to establish the Interagency Committee on Social Research and Development, and it operated until mid-1977, when the

FCCSET became operative. Given the attention and resources, a similar social R&D committee under FCCSET could do the job GAO feels should be done without creating an additional element of government. The findings of the special FCST Task Force that there is a '* * * need for rational, coordinated approach to Federal conducted/sponsored Social R&D * * *' is ever more relevant today as in 1976 (see attachment).

A GAO recommendation to implement such an approach is both prudent and consistent with the National Science and Technology Policy, Organization and Priorities Act."

GAO response: The report states (see app. I, p. 30)--and our response to Labor's comments to the draft report further discusses (see app. VIII p. 65)--that OSTP's activities have evolved since it began in 1976 to its current predominate focus on the physical sciences, engineering, and technology, with minimal involvement in the social research area.

Our response to Labor's comments on the draft report (see app. VIII, pp. 65 to 66) also discusses our earlier recommendation to establish an independent national body to help bring about needed changes in the Nation's income security system. This recommendation was based on an extensive study of income security programs, embodied in our report, "U.S. Income Security System Needs Leadership, Policy, and Effective Management." Although the report recommended that the Congress determine such a body's authorities, responsibilities, jurisdiction, etc., it also suggested several major objectives. One objective was to address the need for a comprehensive national income security policy, which appropriately might involve, among other things, studying the results of, coordinating, and conducting, where appropriate, social research activities.

We believe that likely byproducts of such initiatives would be the reduction in existing information gaps about ongoing and planned research, and user needs for such research, and increased assurance of consistent social research planning and management.

Attachment (to CSA comment letter)

Report of the FCST Task Group on Social R & D

Introduction

"In the past decade, the Federal Government has increased its support for Social R&D enormously; current estimates of the level of support of R&D addressing social problems range from one to three billion dollars per year, depending on the definitions utilized. However, there is widespread concern over whether this effort is adequately planned, managed and utilized. There are indications that too little Social R&D is relevant to policy-making and that too much research, even if relevant, is not available to and utilized by the appropriate decision-makers.

"Social R&D can be defined as that R&D in the Behavioral and Social Sciences undertaken either: (1) to increase knowledge through the systematic study and analysis of basic data on individual and/or social behavior and the construction and testing of theories to explain the observed phenomena; or (2) to apply such data, theories and related insights to concrete, practical problems, including the development of intervention programs which seek to provide solutions to social problems.

"Social R&D, thus, can play a major role in the provision of data to policy makers in the design and implementation of social programs. Such R&D is conducted in the generic areas of education, manpower, social and health services, income security, mental health, social organization, housing and community development, national growth, criminal justice and public safety, civil rights, social and demographic accounting, provision of public services, human and economic development and related areas."

Findings

"The Task Group recognizes that the Social R&D conducted or supported by an individual Federal agency constitutes a highly important and interrelated set of R&D activities, that the results and findings of individual R&D programs have relevance for the social programs of other agencies, and that sound policy-making relating to the conduct of social programs requires sound evaluation research. These considerations indicate the need for a national, coordinated approach to Federal conducted/sponsored Social R&D.

"Planning for studies of social problems should include a consideration of need, i.e., the nature of the societal need for particular information; capacity, i.e., how well the Social R&D system is equipped to respond to such needs; and the appropriate Federal role in developing capacity to meet these needs. In areas such as national security, space and agriculture, the introduction of technology and innovation has been supported by a complex and well-developed allied R&D system constituting up to ten percent of the total expenditure of that sector.

"In other areas such as education, mental health, delivery of health care, criminal justice and public safety, individual welfare (social services and income security) and housing and community development, major social innovation or the introduction of social technology is critically important, but extensive R&D efforts are lacking. While improved understanding of behavioral and societal processes in these areas is crucial, very small investments have been made in R&D as a proportion of total expenditures. Preliminary estimates indicate less than one percent of total Federal program expenditures constitute R&D effort in these areas.

"There are some indications that the R&D system in these areas is incomplete, in that important problems may not receive sufficient and balanced R&D attention. Sufficient numbers of high quality individuals and institutions to plan and perform Social R&D are lacking. In addition, there is often difficulty in identifying, agreeing upon and measuring the desired research objectives and goals. As a result, the Task Force believes that Social R&D should receive the attention of Senior Agency R&D Management in concert to address these and related problem areas."

Recommendations

"1. Formation of an Interagency Committee on Social R&D composed of the principal agency official(s) for Policy, Evaluation, Research and Development, with OMB representatives to be invited as observers.

"2. Committee representation should include at least the following: HEW, State/AID, NSF, USDA, DOD, DOJ, DOT, DOC, DOL, HUD, EPA, VA, DOI, ACTION, EEOC, CCR, and OMB observers.

"3. Establishment of working sub-committees on selected problem areas.

"4. Assignment of a senior-level full-time staff person to the Committee.

"5. Provision to the Committee of an annual working budget of at least $100,000. Subcommittees' operations should be supported by contributions (staff and dollars) from the agencies involved.

"6. Conduct of an Annual Program Review of all Federal Social R&D by the Committee and publication of an Annual Report.

"7. Recommendations from the Committee to the Science Advisor and to OMB concerning R&D priorities for each fiscal year, indicating where these priorities appear in each agency's proposed budget.

"8. Solicitation of advice and recommendations from non-government sources, both through informal contacts by the sub-committees and one meeting per year with selected eminent Behavioral and Social Scientists.

"9. Suggested problem-areas for Social R&D sub-committees to address include the following: (a) conduct of Federal Social R&D on selected priority social problems where activities of more than one agency are required; (b) common measures for social and demographic accounting and indicators; (c) review of Social R&D procurement policies; (d) development of institutional and informational resources for Social R&D; (e) review of planning systems for Social R&D; (f) review of evaluation systems for Federally sponsored/conducted Social R&D; and (g) development of program/problem structure and definitions which will properly account for all Federally funded Social R&D."

Pending Issues

"Two issues which received specific attention of the Task Group, but upon which no decision was reached for inclusion in the Recommendations section are as follows:

"1. Should such a committee be under the umbrella of the Science Advisor or Chairman of the FCST, if the two were to become separate individuals.

"2. Should such a committee include representatives of the Domestic Council staff or possibly even come under aegis of the Domestic Council or the Under Secretary's Working Group.

"These two issues should be discussed further once a Presidential decision is made regarding the Science Advisor and the Democratic Council is operating at full capacity."

Proposed Charter for Interagency

Committee on Social R&D

"In the past decade, the Federal Government has increased its support for Social R&D enormously; current estimates on the level of Federal Social R&D support range from $1 billion to $3 billion, depending upon the definitions utilized. However, there is concern over the adequacy of the planning, management, accounting and utilization, as well as policy relevance, of much of this R&D. Responses to this concern are uneven throughout the Federal System. It is generally agreed that concerted effort should be undertaken to: (1) identify the issues relating to the conduct of Federal Social R&D; (2) initiate activities that will both focus on the identification of Social R&D needs and the manner in which they are translated into policy-relevant research agenda; and (3) begin to develop interagency efforts for more rational conduct of R&D to solve pressing social problems.

"Therefore, the Science Advisor as Chairman of the Federal Council for Science and Technology hereby establishes the Interagency Committee on Social R&D in order to provide a means for improving coordination of Federal Social R&D efforts and for rationalizing the process by which Federal Social R&D is conducted. This committee is established for a period of two years. Its continuation will be reviewed at the Spring, 1977, Plenary Session of the FCST."

Purpose

"This Committee shall have the following responsibilities:

"1. Review and analyze Federal Social R&D Programs, provide advice on Social R&D priorities, and publish an Annual Report on Federal Social R&D.

"2. Establish problem-area sub-committees on processes and procedures for planning, managing, accounting and utilizing Social R&D, as well as selected priority methodological development or social problem areas, in order to improve management practices relating to Social R&D and to identify the appropriate mechanisms for assuring coordinated Federal R&D activities that assist policy makers toward problem amelioration and/or resolution."

Membership

"The membership shall consist of the principal Agency official(s) for Policy, Evaluation, Research and Development in the following Federal agencies: HEW, State/AID, NSF, USDA, DOD, DOJ, DOT, DOL, HUD, EPA, VA, DOI, ACTION, EEOC, NASA, ERDA, CCR and OMB observers. A Chairman shall be appointed for a period of two years, by the Science Advisor, Chairman of the FCST."

Non-Federal Representation

"The Committee and sub-committees are to be composed only of Federal representatives. However, the Committee shall meet at least once per year with selected non-Federal Behavioral and Social Scientists and the sub-committees shall seek advice from non-Federal specialists, both formally and informally, on a regular basis. No regular or permanent non-Federal representation shall be provided."

Reports

"This Committee shall report to the FCST in the Spring, 1977, on its membership, activities, recommendations and future plans. This report shall include detailed information on the activities, of the Committees. It may also prepare other reports for the Science Advisor or the FCST from time-to-time as required to document its activities or publish the results of its studies."

Social R & D Committee

FCST

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